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THE PRICE SITUATION, JANUARY 1932

FARM PRICES

During December prices of wheat and cotton and all livestock and livestock products were lower than during November. The decline in the livestock group was much more pronounced than in the major crops with the result that the general average fell below the previous low level reached in October. Crop prices in general, though lower in December than in November, were still higher than the low prices of October, but prices of livestock and their products were at the lowest point so far in this depression. Livestock prices are usually weak toward the end of the year, but more than the usual seasonal increase in supplies of hogs and dairy products, with no apparent improvement in demand accentuated the price decline. Since December 15 the most important price improvements have been a slight rise in cotton and some recovery in cattle and lambs, but these have been more than offset by marked declines in butter and egg prices and some decline in wheat prices. These changes have since brought the average of farm prices to two points or 3 per cent lower than on December 15.

The index of farm prices on December 15 at 66 per cent of the pre-war average was 5 points lower than on November 15 and 2 points below the index of 68 on October 15, the previous low point in this depression. A year ago the index stood at 97 and two years ago at 135. This represents a decline of 51 per cent in two years.

While the average of all groups declined from 71 on November 15 to 66 on December 15, grains declined from 57 to 52, meat animals from 76 to 68, cotton from 50 to 45, and dairy and poultry products from 102 to 99. Fruits and vegetables remained at 68. Compared with prices that prevailed a year ago, poultry prices which were low last year show a very small decline of about 5 per cent compared with about 20 per cent for dairy products, and with 25 to 40 per cent for such groups as grains, meat animals, fruits and vegetables, and cotton. In contrast with the price of feed products, the prices of dairy and poultry products are in a relatively more favorable position than they were a year ago.

GENERAL COMMODITY PRICE LEVEL

According to the Bureau of Labor Statistics, commodity prices at wholesale during November remained at the October level, which was 68 per cent of the 1926 average, or 100 per cent of the pre-war level. Weekly price indexes for December indicate that the general average of all commodities was probably about 3 per cent lower during December than during November. This decline is about as large as any of the monthly changes during the past two years and is in contrast to the apparent stability in the general price level during the months from June to November when the wholesale price index

declined only 2 per cent in the entire six months. Prices in eight foreign countries, which declined about 4 per cent between June and September and averaged about the same in October as in September, was 1 per cent higher during November, as a result of currency depreciation in a number of countries.

According to the Annalist weekly index, wholesale prices declined 7 points or 7 per cent from 102.6 per cent (of 1913) on November 10, the highest point this fall, to 95.6 on December 29. During this period agricultural products declined more than the non-agricultural groups. Thus, food products declined 10 per cent, farm products 8 per cent, fuels 6 per cent, textile products 5 per cent, and metals and building materials 2 per cent. Prices of chemicals have remained unchanged throughout November and December. In relation to prices that prevailed in 1913, farm products (at 82.2 per cent of 1913 on December 29) were 34 per cent below prices of fuels, 25 per cent below prices of building materials, 16 per cent below prices of metals, and 15 per cent below prices of chemicals.

The wholesale commodity price level in the United States since September 1929 has declined somewhat over 30 per cent, while prices in the foreign countries which usually purchase the bulk of our farm exports declined about 26 per cent, with prices in the United States toward the end of 1931 tending downward and in other countries tending upward, as a result of depreciated currencies aborad. The average of prices in eight foreign countries (1926 = 100) was 71.2 in September, 71.7 in October and 72.3 in November, but in terms of gold prices, the November index is 65.0 or 3 points lower than the index for the United States. In England (according to Crumps weekly index), prices reached their lowest point in the third week of September, but as the gold value of the British currency dropped about one-third, prices on the average advanced about 12 per cent by the middle of October, but have since lost part of the advance. Since British prices have thus far not risen in proportion to the devaluated currency, they are relatively lower when compared with United States gold prices, than they were during the first part of September, and serve to restrain exports of our farm products and to weaken those prices in our domestic markets which are usually affected by foreign demand. While this is in general the current price relationship between the United States and important countries, individual commodities show differences due to their particular supply and demand conditions, and these are referred to in the body of this report.

Lowering the value of money in a country does not necessarily produce a uniform rise in the prices of all commodities. This is clearly indicated by the fact that by the first of November, prices of meat and fish in England were 3 per cent lower than they were immediately before England went off the gold standard, iron and steel prices were only 1 per cent higher, while other commodity groups showed the following increases: coal 4 per cent; foods, other than cereals 5 per cent; textiles 14 per cent and cereals 18 per cent (according to the Board of Trade Index).

BUSINESS CONDITIONS

The year 1931 ended with the domestic demand for farm products at the lowest level so far in this depression and probably in this generation. Industrial activity had declined more than 45 per cent below the prosperity peaks of 1929, factory employment has been reduced by more than a third and factory payrolls by about 55 per cent. Construction work reached levels as low as those of 1920-21, with about 55 per cent of the building trades (union) unemployed. Bank credit in use for commercial purposes at the end of December was 2 billion dollars lower than in December 1929 and loans on securities were 2.5 billion dollars less. Prices of securities had fallen to about a fourth of the inflated values of 1929. Under these conditions farmers were receiving prices during December that were at least 50 per cent lower than they had been two years earlier and about 35 per cent lower than they were during 1910-1914.

Industrial production for November the latest month for which complete data are available, at 72 per cent of the 1923-1925 average was only 1 per cent lower than the output for October. Factory employment and factory payrolls declined somewhat more; employment declining from 70 to 68 per cent of the 1923-1925 average, and payrolls from 58 to 56 per cent. During December these indicators of business conditions were somewhat lower, for certain basic industries like iron and steel. Construction industry made new lows and in the textile industry where cotton consumption had been relatively well maintained, curtailment set in toward the end of December. These recessions were partly offset by some expansion in the production of automobiles and automobile parts. In the iron and steel industry a slight improvement occurred during the last part of December, reflecting probably the expansion in automobile production. In the latter industry, employment increased, partly due to bringing new models out earlier than usual, during November and December, with production in December greater than the low production of November which was contrary to the usual seasonal decrease. Registrations during December declined less than usual, but they continue considerably below a normal replacement volume. On the other hand, freight car loadings declined more than seasonal, and so did the volume of contracts awarded. Contracts awarded for residential construction in December were down to about a fifth of their value in 1928; for other construction they were down to less than half and for all groups combined they were down to nearly a third.

Credit and speculative conditions during December also reflected the continued downward drift in general business conditions. Reporting member banks of the Federal Reserve System had a still smaller volume of commercial loans outstanding at the end of December than at the beginning of December. Their loans on securities and their own investments were also lower though only slightly. The Federal Reserve banks, on the other hand, increased their discounts for member banks, and released additional credit to the money markets by increasing their holdings of United States securities between the first and last week of December. For the first week of January, the three forms of Federal Reserve bank credit outstandings, namely discounts, bills and securities bought, were noticeably reduced.

Industrial stock prices reached new low levels during December and the first week of January, but advanced somewhat during the second week of January. Bonds continued to decline to the middle of December and then began an upswing which has been maintained during the first two weeks of January; the advance as well as the preceding decline being more marked in railroad bonds than in industrial and public utility bonds.

WHEAT

Cash wheat prices in the United States were lower in December than in November, but changes since early December have been relatively small and no marked trend has been apparent. Prices of wheat futures both in the United States and abroad have also fluctuated within a narrow range during the past month. In foreign markets prices have been at levels but little different from those prevailing in early October before the marked rise which took place during that month and early November, but in the United States recent prices have been significantly higher. May futures at Chicago continue to range only very slightly below Liverpool, prices abroad being too low compared with those of the United States to permit the United States to export freely. Overseas shipments of wheat from the principal exporting countries have been at a low level for a number of weeks as is usual at this time of year, pending the beginning of heavy shipments of new crop wheat from the Southern Hemisphere.

The United States farm price of wheat averaged 44.1 cents per bushel as of December 15 compared with 50.5 cents a month earlier, farm prices having reflected the sharp decline in prices at the central markets which occurred during the latter part of November. Following the sharp decline, prices were fairly stable during December and early January. For the week ended December 11 No. 2 Hard Winter at Kansas City averaged 52.8 cents per bushel and then rose to 53.4 cents for the following week. For the week ended January 8 the average was 51.6 cents, which figure was a fraction of a cent higher than the average for the two preceding weeks.

Cash wheat prices in United States markets continue to show considerable strength as compared with futures. The relative strength of the cash market in the face of large wheat stocks may be attributed largely to the amount of wheat in the hands of the Grain Stabilization Corporation. According to information available at the Farm Board, Stabilization Corporation stocks include well over half of the wheat in the so called visible supply. These stocks are not available for use in the current year except to the extent of sales which have been made to foreign Governments and to the extent of 5 million bushels which may be sold monthly, plus replacement of cash wheat holdings by futures. Consequently, the supplies of wheat now actually available for domestic milling during the current season are not very abundant and part of the substantial premiums on cash wheat appear to be based on the expectation that there will not be a significant change in the rate of farm marketings or in the amount of Farm Board stocks made available during the next six months. The high prices of hard spring and durum wheats relative to winter and soft white wheats, are also due partly to the very short supplies of these wheats following the short crops of 1931.

At Kansas City, May futures for the month of December averaged 49.7 cents per bushel while the average price of carlot sales of No. 2 Hard Winter wheat during the month was 52.5 cents. This compares with a December 1930 average of 73.1 cents per bushel for the May futures and 70.6 cents for No. 2 Hard Winter. At Chicago, May futures have been fluctuating about the 57 cent-per-bushel level for the past six weeks, the highest weekly average during that period, having been 57.8 cents and the lowest 56.0 cents per bushel. This is considerably above the low weekly average for the season of 51.0 cents per bushel which is that for the week ended October 9.

In the principal foreign markets, wheat prices have also continued relatively steady during the past month. At Liverpool, May futures (converted at the current rate of exchange) have been fluctuating about a level of 58 cents per bushel, the lowest weekly average for the past six weeks, having been 57.4 cents and the highest 59.0 cents per bushel. This level, however, is but little above the lowest weekly average for the season of 57.0 cents per bushel for the week ended October 9. For the week ended January 8, May futures at Liverpool averaged 57.7 cents per bushel (converted at the current rate of exchange) compared with 56.4 cents at Chicago. A much wider spread of prices is necessary to permit any considerable volume of sales of United States wheat to Liverpool or other European markets.

The relatively stable level of wheat prices at Liverpool during the past six weeks has accompanied a relatively low level of world shipments. These have averaged 11.5 million bushels weekly during the past six weeks compared with 17.3 million during the six weeks ending November 14. Weekly averages for the two corresponding six week periods of 1930-31 are 12.0 and 16.9 million bushels respectively. World shipments frequently decline to a relatively low level during December, prior to the heavy movement of new-crop wheat from the Southern Hemisphere. For some weeks past, shipments from North America have constituted about half of the total. Shipments from both Russia and Danubian countries combined have amounted to less than 1 million bushels in each of the past two weeks. New crop shipments from Australia are now well under-way and some new-crop wheat has been reported shipped from Argentina. Present estimates of production and carry-over as of January 1 indicate the combined exportable surplus of these two Southern Hemisphere countries for the calendar year 1932 to be approximately 276 million bushels compared with 322 million last year. The Argentine surplus is about the same as last year, being placed at 150 million bushels against 158 million for 1931 while that of Australia is indicated to be 126 million bushels compared with 164 million in 1931. Estimates of the 1931 crop and the carry-over as of July 31 for Canada together with exports to January 1 indicate that the surplus available for export and carry-over to July 31, 1932 is about 210 million bushels compared with 247 million bushels a year ago.

CORN

Cash corn prices were lower in December than in November. Most of the decline took place during late November and early December and since the first week of December fluctuations have been relatively small. Market receipts of corn have been small and commercial stocks have increased but slowly in spite of very small industrial consumption during December. The corn supply situation this year especially as regards the geography of corn production is somewhat similar to that of 1926-27. There is an ample crop in the eastern and central part of the Corn Belt, but a very short crop in the western part of the Belt. The supply situation of the other feed grains, however, is more nearly similar to that of 1927-28 in which year there was also a small oats crop. Due to the business depression and lower level of commodity prices, however, the demand situation is very different from that of either 1926-27 or 1927-28 in spite of the fact that hog numbers are on the increase this year as they were in 1927-28.

The United States average farm price of corn as of December 15 was 34.5 cents per bushel compared with 36.6 cents in November and 64.9 cents in December 1930. The average price at the principal markets was also lower in December, the weighted average price of all classes and grades at 5 markets being 37.1 cents per bushel compared with 43.5 cents in November. Most of the decline took place during late November and early December. No. 3 Yellow at Chicago which averaged 44.3 cents per bushel for the week ended November 20 declined to 42.0, 38.5 and 36.7 cents per bushel respectively for the three following weeks and has since continued close to a level of about 36.5 cents per bushel through the week ended January 8 when it averaged 37.5 cents.

The small crop in the northwestern part of the Corn Belt, combined with a shortage of hay and other feed grains has apparently resulted in a considerable movement of corn into the drought area of the Northwest. However, the generally mild weather thus far this winter, together with fall rains which kept pastures good until late November in many of the principal cattle and dairy areas, have resulted in less need than usual for feeding grain.

The Southern States have a much larger corn crop this year, than the unusually small crop last year and both corn and oats are somewhat more plentiful this year than in 1929. Farm prices of corn and other feedstuffs in the Southern States are consequently relatively low this year and less corn than usual is now being shipped from the Corn Belt to the Southern States.

Receipts of corn at the principal markets have been much smaller this year than usual. For December receipts at 14 primary markets amounted to only 11.2 million bushels compared with 27.8 million in December 1930 and an average for the past five years of 32.8 million bushels. Receipts for November and December together have totaled only 23.0 million bushels this year against 45.0 million a year ago and a 5-year average of 53.4 million.

Industrial utilization of corn as indicated by wet process grindings showed a marked drop in December, amounting to only 4.6 million bushels compared with 5.2 million in December 1930 and an average of 5.9 million in the five Decembers of 1926 to 1930. With both receipts and grindings small, commercial stocks of corn increased only very moderately. On November 28 they amounted to 9.8 million bushels and rose to 12.9 million on January

9, an increase of 3.1 million bushels in the 6-week period. This compares with an increase of 9.9 million bushels in the corresponding period of last season and an average for the past four years of 10.0 million bushels. Total commercial stocks on January 9 amounted to 12.9 million bushels compared with 16.9 million on the corresponding date last year and an average of 24.0 million bushels for the corresponding date of the past five years.

The demand for corn this year continues to be adversely affected by the reduced level of industrial utilization as well as by reduced demand due to the low level of prices for meat animals and dairy products. The ratio of corn prices to wheat prices is also less favorable to feeding wheat in place of corn this year than last year. However, the very low price of wheat, in regions where corn would otherwise have to be shipped in, is likely to result in larger than usual feeding of wheat and in a corresponding reduction in the demand for corn. On the other hand, increased hog numbers will tend to increase the amount of corn consumed in the Corn Belt as compared with last year. The increased consumption will tend to reduce supplies available for market. To what extent the small marketings thus far this year have been due to increased farm consumption, and to what extent to unwillingness to sell at the prevailing low prices remains uncertain.

TOBACCO

Prices paid to growers at the various auction floor sales for tobacco remained at exceedingly low levels during December, and apparently have shown little if any improvement since January 1.

Flue-cured prices, which normally decrease from November to December, this year declined by more than the usual seasonal amount, and averaged 6.6 cents per pound compared with 11.6 cents in December 1930. For burley tobacco complete returns have not been obtained but Kentucky markets were reported to average 9.8 cents compared with 17.1 cents in 1930, those in Virginia 10.2 cents compared with 19.3 cents in 1930, and those in North Carolina, 9.2 cents compared with 15.3 cents in 1930. In the dark fire-cured and air-cured districts, where prices in 1931 have been particularly distressing the December averages on reporting markets were as follows: Virginia fire-cured, 4.7 cents compared with 9.7 cents in 1930; Kentucky-Tennessee fire-cured, (opening week prices at Clarksville) 5.8 cents compared with 10.8 cents in 1930; Henderson fire-cured 5.1 cents compared with 9.6 cents in 1930; One Sucker, 3.3 cents compared with 7.1 cents in 1930; Green River, 3.0 cents compared with 9.8 cents in 1930; Virginia sun-cured; 5.2 cents compared with 7.4 cents in 1930.

Although such comparisons indicate that prices to farmers this season are ruinously low, since the 1930 prices were quite unfavorable, it is apparent the averages themselves do not fully reflect the severity of the situation. The above prices are for the grades actually sold, hence they are higher than would be if based upon the entire crop. In all districts most buyers have been reluctant to bid upon low grade leaf with the result that much of it has been rejected or withheld. Some of this may appear in the sales later if prices strengthen, or possibly may be held over for another season, but a considerable portion already has been discarded for use as fertilizer.

Domestic consumption of tobacco products, as indicated by internal revenue stamp sales, continues to react to the unfavorable business situation. Although returns for the month of November were somewhat more favorable than those for October, it is not generally considered that material improvement can be expected until there is a definite revival in industrial activity. Stamp sales for the five months July to November indicate that consumption of the different products in 1931 compared with 1930 was as follows: cigarettes, 9.3 per cent less; cigars, 11.6 per cent less; manufactured tobacco (smoking and chewing combined), 3.0 per cent greater; snuff, 0.6 per cent less. As indicated by the shift from cigarettes to smoking mixtures and from high priced to lower priced cigars, consumers have been using cheaper products as well as taking smaller total quantities.

Exports for November continued to reflect the influence of decreased foreign consumption and the unsettled state of international finance. Flue-cured tobacco moved out in slightly larger volume than in October and registered a monthly movement that compared favorably with other recent years. Unusually large takings by China were sufficient to offset the decreased purchases made by the United Kingdom and other countries. However, the total exports since July have been somewhat less than usual for this period, 147 million pounds compared with 190 million in 1930. For the dark fire-cured and air-cured types exports continued to move at extremely low levels. The eleven month totals, January to November, for both Virginia fire-cured and Kentucky-Tennessee fire-cured, 11 million and 67 million pounds, respectively, were only about two-thirds as large as in 1930 and the smallest exports on record. Since normally from 50 per cent to 75 per cent of the above types is exported it is evident that reduced foreign buying has been a large factor in the present situation. Larger available supplies and smaller domestic consumption in 1931-32 have been further depressing influences.

POTATOES

The general average of prices of potatoes throughout the country remained practically unchanged between October 15 and December 15, but unusually light shipments during November and December have been followed by moderate price advances at shipping points during the last week of December and the first week of January. Stocks are ample and the buying power of consumers very low.

The average United States farm price of potatoes was 45.7 cents per bushel on December 15, compared with 45.3 on November 15, 45.8 on October 15, and 89.8 in December 1930. In the surplus producing States, prices in cents per bushel, averaged as follows: 23 cents in Maine where supplies are unusually large, 40 cents in New York, 30 cents in Michigan, Wisconsin and Minnesota, 30 cents in Colorado, and 40 cents in Idaho. By the first week of January prices at central markets were 5 to 10 cents per 100 pounds higher than they were about the middle of December and prices at shipping points were also slightly higher. At Presque Isle, Maine, Green Mountain potatoes sold for 49 cents per 100 pounds during the last week of November, 42 cents during the middle of December, and 45 cents for the week ended January 2. At Rochester, New York, round whites sold during these three weeks respectively for 77 cents, 64, and 69 cents. At Waupaca, Wisconsin, cobblers sold for 59, 53 and 62 cents, and at Idaho Falls, Russet Burbanks sold for 70, 67 and 75. At none of these shipping points has the advance been very marked.

The moderate improvement in potato prices probably reflects the light shipments so far this season. In November and December shipments (exclusive of movement by truck), totaled 27,000 cars compared with 32,000 a year ago. Were it not for the increased truck movement, the total volume of which is not known, the shipments of November and December would appear to have been about as light as in these two months of 1925 and 1921, when they were respectively 28,000 and 27,000 cars compared with 31,000 to 35,000 cars in all other years since 1920. The availability of supplies for market, during the next few weeks may have an important bearing on the trend of prices. Market supplies on the other hand will depend in part on hauling conditions and in part on the reluctance of farmers to sell at present low prices, and their inclination to hold for higher prices.

On the demand side, consumer purchasing power is so low that even at present low prices, consumption appears to have been curtailed. Although no complete records of consumption are available it may be observed that the volume of unloads at New York City, including truck receipts on certain New York City markets amounted to only 5,700 cars in the three months September-November 1931, compared with 6,400 the same months of 1930 and 7,400 cars in 1929. Retail prices in cents per pounds, ranged between 2.0 and 1.7 in 1931; between 3.2 and 2.9 in 1930; and between 3.9 and 3.8 in 1929. With apparent consumption reduced and much lower prices, it appears that consumers in New York City have recently spent about half as much money on potatoes as they did during the same months of 1930 and at least 60 per cent less than during the same months in 1929.

RICE

Rice prices in the Southern Belt continued unchanged during the month ended January 9. Prices of California rice declined slightly during the same period. Fancy Blue Rose at New Orleans was quoted at $2.87½ to $3.00 per 100 pounds on January 9 which was the same as the price a month earlier. Blue Rose rough at Louisiana mills remained unchanged at from $2.40 to $2.60 per barrel during the month ended January 9. Fancy California-Japan at San Francisco declined from $3.05 on December 14 to $2.95 per 100 pounds on January 9. No. 1 Brown at that market declined from $2.70 to $2.65 during the same period.

The 1931 crop for the United States is estimated to be 45,014,000 bushels (12,504,000 barrels) of which 37,014,000 bushels (10,281,667 barrels) were estimated for the Southern Belt and 8,000,000 bushels for California. The revised estimate of the 1930 crop in the Southern Belt is 37,028,000 bushels (10,281,666 barrels) and 7,271,000 bushels for California making a total of 44,299,000 bushels (12,305,300 barrels) for the United States. Total supplies of domestic rice for 1931-32 for milling were the equivalent of about 1,302,000,000 pounds of milled rice as compared with 1,245,000,000 pound for 1930-31. During 1930-31 accounted for disappearance plus carry-over totaled 1,295,000,000 pounds.

The movement of rough rice from farms to mills in the Southern Belt was much less during December than during November and slightly less than

the 844,000 barrels marketed during December 1930. Total marketings of rough rice for the first five months of the crop year were about the same as the 5,639,000 barrels marketed during the corresponding period last year. Stocks of rough and milled rice in millers' hands on January 1, 1932 were the equivalent of 1,963,716 pounds as compared with 1,642,000 pounds a year earlier. The movement of milled rice into consuming channels during December was below average for that month. For the first five months of the 1931-32 crop year, however, the movement of milled rice was slightly above the movement for the corresponding period last year. Shipments to Porto Rico were larger than last year whereas exports were somewhat under last year. Exports for December were considerably under the 35,786,000 pounds exported during that month in 1930. Shipments to Porto Rico during December totaled about 26,000,000 pounds which was considerably above the movement to that market for December 1930.

In California, 1931-32 supplies of rice are estimated to be the equivalent of 257,000,000 pounds as compared with 239,000,000 pounds for 1930-31. The movement of milled rice into consuming channels outside of California appears to be slower than it was last year. Exports of California rice during November totaled 315,000 pounds as compared with 1,198,000 pounds for November 1930. Shipments to Hawaii during December were slightly under the December shipments last year. Both exports to foreign countries and shipments to Hawaii for the crop year to January 1 were lower than for the corresponding period last year. Owing to the relatively narrow price spread with prices at Tokyo only about 20 cents per 100 pounds higher than at San Francisco, Japan has been in the market thus far this year for very little California rice above the grade of screenings.

HOGS

Heavy receipts of hogs, continued weak foreign and domestic demand for hog products, and low hog prices were the outstanding features of the hog situation in December. After a long continued decline hog prices in mid-December reached the lowest point in 1931 and the lowest level since 1899, followed by a slight advance the last part of December. Most of this advance was lost in early January, however, and the average price at Chicago for the week ended January 9 was $4.12 or only 6 cents above the low point of $4.06 per hundred pounds made during the week ended December 19. The average price of hogs at Chicago in December was $4.20 as compared with $4.61 in November and $7.92 in December 1930. During recent weeks there has been some tendency for the price spread between light weight over heavy weight hogs to widen with the decline in the proportion of receipts of light weight hogs, but this tendency has been less pronounced than usual.

The seasonal increase in slaughter supplies of hogs during December was greater than usual. Slaughter under Federal inspection amounting to 5,387,000 head was nearly 28 per cent larger than that of the previous month and about 16 per cent larger than the slaughter in December 1930. This was the fourth consecutive month in which slaughter exceeded that of the corresponding month of 1930. For the first three months of the current marketing year which began in October 1931, 13,376,000 hogs were slaughtered under Federal inspection. This was an increase of 10 per cent above that of the corresponding period in 1930, but it was not greatly different from the total inspected slaughter

during those months in 1929. Bad roads and unfavorable weather conditions slowed up the market movement of hogs from the Corn Belt in late December and early January and slaughter at 9 centers for the two weeks ended January 8 was 5 per cent smaller than that for the corresponding period last year. Average hog weights at 7 markets indicate that hogs slaughtered in December were somewhat lighter than those slaughtered in December 1930.

Wholesale prices of cured pork were fairly stable during December although the monthly averages of all cuts were materially lower than in November. Fresh pork prices continued their downward trend until near the end of the month but made substantial advances during the week ended January 2. The weekly average price of refined lard at Chicago declined 50 cents per hundred pounds during the first two weeks in December and then remained steady through the second week in January. The average for the month, however, was only $7.65 as compared with $8.47 in November and $10.70 in December 1930.

Despite low pork and lard prices, exports of American hog products continue small. Exports of lard during November amounting to 36 million pounds were 17 per cent smaller than the relatively small exports in November 1930, and 45 per cent smaller than the 3-year average for the month. Although domestic lard prices have declined materially during recent weeks, the decline in Liverpool prices (in gold) has been even greater. Less than 13 million pounds of pork were exported during November as compared with 19 million pounds in November 1930 and a 3-year average of 23 million pounds.

The movement of hog products into consumptive channels was relatively heavy from August 1 to January 1. While storage stocks of pork and lard on August 1 were about 9 per cent larger than on August 1, 1930, on December 1, they were 5 per cent smaller than on that date a year earlier despite increased slaughter. The consumption of hog products apparently continued heavy during December but with slaughter materially larger than a year ago and low exports, storage stocks were considerably increased. Stocks of pork on January 1 amounting to 559 million pounds were 163 million pounds of 41 per cent larger than those on December 1. They were 7 per cent larger than those on January 1 last year but only 2 per cent larger than the 5-year January 1 average. Lard stocks increased only 16 million pounds during the month as compared with an increase of 19 million pounds during December 1930. The total on January 1 was 1 per cent smaller than on that date a year earlier and was 21 per cent smaller than the 5-year January 1 average.

The December 1931 pig survey made by the Department of Agriculture in cooperation with the Post Office Department indicated an increase in the fall pig crop of 19.7 per cent. This increase combined with the indications of the June pig survey as to the increase in the 1931 spring pig crop indicates a total 1931 pig crop about 9 per cent larger than in 1930. The indicated increases in the fall pig crop by regions were as follows: 21 per cent in the North Central States, where over 80 per cent of the commercial hog supply is produced, 15.8 per cent in the North Atlantic States, 3.7 per cent in the South Atlantic States, 19.2 per cent in the South Central States, and 33.2 per cent in the Western States. It was the largest percentage increase in fall farrowings in the United States that has been reported during the ten years in which similar surveys have been made and it was the second largest increase that has been reported for the Corn Belt States.

The number of sows bred or to be bred to farrow in the spring of 1932, as shown by the survey, was 13 per cent larger than the number that farrowed in the spring of 1931 for the United States but only 5.5 per cent larger in the Corn Belt. When allowance is made for the spread between December breeding intentions and farrowings reported the following June as shown by previous surveys, the number of sows farrowing next spring will probably be reported as about 2 per cent larger than in the spring of 1931 for the United States as a whole, but about 5 per cent smaller in the Corn Belt.

The hog-corn price ratio in the middle of December was less favorable than that of a month earlier. On the basis of farm prices, this ratio on December 15 was only 11.0 in the Corn Belt States as compared with 12.4 a year earlier; 15.3 on October 15 and 12.1 on November 15.

CATTLE

The cattle market during December was weak and prices showed a declining tendency during most of the month. Prices reached the low point of the month during Christmas week and in this week the prices of all kinds of cattle except good and choice fed cattle were at the lowest point for many years.

The average weekly price of choice steers at Chicago declined about $1.35 between the last week in November and the last week in December, of good steers about $1.40; of medium $.73 and of common $.45. The average price of all steers, because of an increasing percentage of low grade steers marketed during December, declined about $1.50 and at $6.82 was almost as low as at the end of May when the average reached $6.68. But in May the low weekly average of choice steers was only $7.47 compared with $10.72 the low week in December, while the weekly average of common steers in May reached $5.62 and in December fell to $4.20. The monthly average of all steers for December at $7.11 was about the same as in December 1922 and lower than any other December since 1911.

The prices of all kinds of butcher cattle reached the lowest levels of the year in December with common butcher cows as low as $2.25 at the low point. Stocker and feeder cattle prices, which had advanced considerably in November, lost all of this advance and the weekly average price the week ended December 25 at Chicago went to $4.12. The last week in December prices were higher for all kinds of cattle and this strengthening continued through the first week in January.

While supplies of cattle in December at 7 leading markets were very small, being 18 per cent below December 1930 and the smallest for the month in fifteen years, inspected slaughter was only 1 per cent smaller than in December 1930. This difference between receipts and slaughter was due in part to five Mondays in December 1930 and only four in 1931, but mostly to the much smaller shipments of stocker and feeder cattle this year than last. Shipments of such cattle into the Corn Belt States in December were about 50,000 head or about 25 per cent smaller than last year. Supplies of choice steers at Chicago in December were small, being only about one-third as large as in December 1930 and the second smallest in nine years. Supplies of good steers were 12 per cent smaller than a year earlier but above the average for December.

The number of cattle on feed for market on January 1 this year is estimated as 5 per cent smaller than a year earlier and feeding in the Western States was on a much reduced scale. In the Corn Belt there was a marked reduction in feeding in the area where the corn crop was reduced by the drought of last summer but a considerable increase east of the Mississippi River. Increased feeding in Texas and in the Lancaster, Pennsylvania area is also reported.

BUTTER

Butter production has been stimulated by the mild weather, low grain prices, and the increase in number of cows. The continued decline in industrial activity and payrolls has curtailed the demand for butter. The foreign situation is much the same as in the United States, the demand being weak and production large. The margin between domestic and foreign butter prices during December was approximately equal to the tariff and some Argentine butter was imported. Domestic prices were steady during the first four weeks of December but with some importations and large domestic supplies in prospect prices declined sharply in late December and early January.

The price of 92-score butter at New York during December averaged 30.5 cents per pound or 0.4 cents less than in November and 1.7 cents lower than a year ago. Prices were steady during the first four weeks of December but declined from 31.0 cents on December 29 to 23.5 cents on January 9. The marked increase in current production, continued low demand, and the possibility of importing foreign butter resulted in the decline in prices. The farm price of butterfat on December 15, of 27.3 cents was about 1 cent lower than on November 15 but 3.3 cents lower than a year ago.

Production of creamery butter during November of 112.0 million pounds was 9.8 per cent larger than the previous record November production in 1930. The decline in production from October to November of 8 per cent was only about one-half of the usual seasonal decline. The index number of butter production (adjusted for seasonal variation, 1925-1929 = 100) rose from 115 in October to 129 in November, while the index number of production of the important manufactured dairy products rose from 114 to 127.

Weekly production reports indicated that during December production was increasing at a faster rate than a year ago. For the week ended December 5 production in the Middle West was 14 per cent larger than a year ago, as compared with 20 per cent larger for the week ended December 26. Low grain prices and mild weather have stimulated production.

The trade output of creamery butter during November was only 2.0 per cent larger than in November 1930 as compared with increases of 4.6 per cent in October and 6.4 per cent in September. The retail price of butter in November (as reported by the Bureau of Labor Statistics) was 18 per cent lower than in November 1930.

Cold storage holdings of creamery butter on January 1 were 26.6 million pounds as compared with 63.4 million a year ago and the 5-year average of 53.9 million pounds. The net out-of-storage movement during December of 15.7 million pounds was about 55 per cent as great as the 5-year average. The effect of low storage holdings is being offset by the increase in current production.

On December 24 the price of 92-score butter at New York was 12.0 cents higher than the Copenhagen official quotation, 16.0 cents higher than

"Finest New Zealand" in London and 13.7 cents more than creamery butter in Montreal. During the last week of December the decline of 3.0 cents in the domestic price while foreign prices were practically unchanged, reduced the margin between domestic and foreign prices.

Imports of butter during October and November were 721,000 pounds compared with 163,000 pounds in the same period of 1930.

In New Zealand and Australia the output of butter during the current season has been the largest on record. This increase in production is reflected in the shipments afloat from Southern Hemisphere sources which on December 3 were 59.6 million pounds compared with 42.8 million pounds last year, and 30.7 million pounds two years ago.

CHEESE

Cheese production in November was unusually large, but receipts at Wisconsin warehouses indicate that the large increase in production this year as compared with last year was not maintained during December. With a decline in receipts, prices in Wisconsin were maintained during December, but declined in early January when there was a sharp drop in butter prices. Storage holdings of cheese are less than last year, but have not been reduced as much as storage holdings of other dairy products. Imports continue larger than last year.

The ruling price of cheese (twins) on the Wisconsin Cheese Exchange during December of 12.0 cents was 0.3 cents lower than in November and 3.0 cents lower than a year ago, and the lowest for December since 1907. With the sharp decline in butter prices during the first week of 1932, the ruling price of cheese declined 1.5 cents on January 8. At 10.5 cents the price was only 0.5 cents above the low point of 1931.

Cheese production during November of 34.8 million pounds was 21.8 per cent more than the previous record November production in 1930. The decline in production from October to November of 20 per cent, was less than the usual seasonal decline of about 30 per cent. The marked increase in production as compared with last year was probably not maintained during December, since receipts of cheese at Wisconsin warehouses in December were only slightly larger than a year ago, while receipts in November were 23.8 per cent larger than in the preceding year. Extremely mild weather and favorable pastures stimulated production during the late fall.

The retail price of cheese in November, as reported by the Bureau of Labor Statistics, of 26.8 cents per pound was 20 per cent less than in November 1930. This reduction in retail prices did not greatly stimulate consumption, as the movement of cheese into consumptive channels during November was only 2.0 per cent larger than in November 1930.

Cold storage holdings of American cheese on January 1 were 55.7 million pounds compared with 63.3 million last year and a 5-year average

of 59.7 million pounds. The net out-of-storage movement during December of 4.8 million pounds was less than the 5-year average of 6.4 million pounds.

Imports of cheese during November of 6.1 million pounds were 20 per cent larger than in November 1930. Imports for the first eleven months of 1931 were 10 per cent less than in 1930. Imports were light during the first half of the year and relatively heavy during the latter part of the year. The depreciation in the currencies of foreign countries has stimulated American imports.

EGGS

Egg prices declined seasonally from November to December. The decline was not as great as it was a year ago, however, due largely to a smaller volume of receipts and to lighter storage stocks. December prices, especially for the better grades, averaged nearly as high as a year ago. Fresh extras at New York averaged 33.1 cents during December as compared to 33.7 cents in December 1930. The decline from the November average price was 2.6 cents in 1931 and 10.5 cents in 1930. Fresh firsts, averaging 25.6 cents in December, were 1.5 cents below the price a year ago, while the decline from the November average was 3.6 cents as compared to 6.4 cents last year. The farm price of eggs on December 15 was 25.6 cents as compared to 26.4 cents on November 15 and 26.8 cents a year ago.

Receipts of eggs at 4 markets during December were 596,000 cases compared to 712,000 cases last year and the 5-year average for December of 618,000 cases. Most of the decrease in shipments this year was from the Pacific Coast; the Middle Western area being somewhat above a year ago. For the four weeks ended January 2, 1932, receipts at the 4 markets, from California, Oregon and Washington were only 60 per cent of those for the same period a year ago while receipts from the Middle Western States were about 7 per cent above a year ago.

Numbers of hens and pullets in farm flocks on December 1 were about 4 per cent less than a year earlier, but egg production per hen was about 12 per cent greater than on December 1, 1930.

Cold storage holdings of case eggs on January 1 were 1,475,000 cases as compared to 1,891,000 cases a year ago and a 5-year average of 1,198,000 cases. Stocks of frozen eggs were 79,118,000 pounds as compared to 83,148,000 pounds a year ago.

POULTRY

The farm price of chickens declined half a cent from November 15, to 13.9 cents on December 15, compared with 15.3 cents a year ago. The low point of the seasonal decline in the farm price of chickens is usually reached by December 15.

Receipts of dressed poultry at 4 markets during December were 74.1 million pounds compared to 71.5 million pounds in 1930 and the 5-year average of 72.0 million pounds. On December 1 there were about 4 per cent less

chickens in farm flocks than a year earlier with the prospective supply of fresh poultry available before spring, now less than a year ago. Storage stocks of frozen poultry, the other source of supply for this period, while above the low stocks of last year are below the 5-year average. Stocks on January 1 were 116.8 million pounds as compared to 104.7 million pounds a year ago and a 5-year average of 123.5 million pounds.

LAMBS

The weakness in the lamb market during the latter half of November continued into December and prices declined to the lowest level of the year. At the low point the third week in December the top on fed lambs, at Chicago was $5.25 with the bulk of good and choice lambs selling between $4.50 and $5.00, while at Omaha the top went to $4.90. This low point was probably the lowest at which fed lambs have sold for at any time during the present century and the monthly average price of slaughter lambs in December was the lowest for any month since 1903 at least.

Some recovery in lamb prices occurred during the last week in December and this continued into the early part of January. This advance from the low point amounted to nearly $1.50 a hundred and brought the level of lamb prices to about where it was at the beginning of November.

Supplies of lambs in December continued large, with inspected slaughter 11 per cent larger than in December 1930 and 30 per cent larger than the 5-year December average and the largest for the month on record. Total inspected slaughter in 1931 was 18,071,000 head, an increase of 8 per cent over 1930. In 1931, each successive month of the year, except one, established a new monthly record. This increase over 1930 was all in lambs, including yearlings, since sheep slaughter in 1931 was actually smaller than in 1930, when it was also small.

The number of sheep and lambs on feed for market on January 1, 1932 is estimated by the Department of Agriculture at 6,186,000 head, which is an increase of 14 per cent over January 1, 1931 and is a record number for feeding. Of the increase of 758,000 head over a year earlier, 3,303,000 head were in the Corn Belt States and 2,883,000 head in the States outside the Corn Belt. Compared with last year, nearly all of the Western States had as many or more lambs on feed this year with the largest relative increases in North Dakota, Texas and New Mexico.

WOOL

The Boston wool market was very quiet in December and the early part of January but prices remained firm at the levels established the latter part of October. The slow market was partly due to seasonal factors and reports early in January indicated that conditions in the wool textile markets were more favorable than in early December. For the week ended January 9 the price of fine (64s, 70s, 80s) strictly combing Ohio and similar grease wool averaged 24.5 cents a pound, having shown no change since the week ended October 31. Fine strictly combing territory wool, scoured basis, remained at 59.0 cents a pound and 3/8 blood (56s) territory, scoured basis at 48.5 cents a pound.

Wool prices declined slightly at the final pre-holiday sales in Australia but the markets were somewhat stronger as the sales opened in January. At the opening of the first series of 1932 at London on January 12 prices were equal to the closing December levels on all greasy wools and competition between buyers on these types was good. Scoured wools other than superior types were about 5 per cent below those of December. Prices (in gold) declined slightly toward the close of the December series and reached new low levels on some grades of wool. Increases in wool prices at London after the suspension of the gold standard in September were not sufficient to balance the depreciation in the British pound so that prices in terms of gold declined. As prices in the United States remained steady, during this period the margin between domestic and foreign prices widened. The London wool sales opened on January 12 with prices about the same as they were at the close of the December series.

Consumption of wool by reporting manufacturers of the United States showed further declines in November and was back to the level of consumption of the early months of 1931. Reported consumption of combing and clothing wool in November was 25,836,000 pounds compared with 32,345,000 pounds in October and 20,827,000 pounds in November 1930. Consumption of combing and clothing wool by reporting mills in the United States from January through November 1931 totaled 384 million pounds (grease equivalent) compared with 316 million pounds in the first eleven months of 1930 and 395 million pounds in that period of 1929. Consumption of domestic wool by reporting manufacturers during the first eleven months of 1931 was 36 per cent greater than in the same period of 1930 although consumption of foreign and domestic wool combined was only 23 per cent greater. Imports of combing and clothing wool in the first eleven months of 1931 were only 34 million pounds compared with 66 million pounds imported during the corresponding period of 1930 and an average of 107 million pounds for this eleven month period in the years 1926-1930.

There was an increase of 4 per cent in 1931 in the combined wool clips of 10 countries which usually produce about four-fifths of the world total, due primarily to considerably larger clips in the United States, Australia and the Union of South Africa. Reduced clips are now reported for Argentina, Uruguay and New Zealand. The reported increase in production in 1931 appears to be due to the heavy carryover of old sheep in the principal wool producing countries rather than to a conscious effort on the part of wool growers to increase production. Stocks of wool in Southern Hemisphere countries which were fairly heavy at the beginning of the present season have continued to accumulate during the last few months.

COTTON

Cotton prices in domestic markets during the past four weeks have been fairly steady with most of the changes resulting in slightly higher quotations. On January 12 the average price of Middling 7/8 in the ten spot markets was 6.17 cents per pound compared with 5.74 cents on December 15 and 9.23 cents on January 12, 1931. In Liverpool, prices of American cotton on a gold basis have advanced about as much as prices in the United States. A comparison of American and Indian cotton prices at Liverpool shows that Indian continues to become more expensive relative to American. On January 8 the average price of three types of Indian cotton averaged 94.6 per cent as much as the average of American Middling and Low Middling whereas on December 11 they averaged 92.6 per cent.

The index of domestic cotton consumption after adjustment for normal seasonal trend showed a decline each month from July through November but the index in November 1931 of 84 (1923-1925 = 100) was still 7 points above the low of December 1930 and was 1 point above November 1930. December domestic consumption, while about 12,000 bales below November was about 10,000 bales above consumption in December 1930, according to reports of the Bureau of the Census. During the past five years consumption in December has averaged about 49,000 bales or 8.8 per cent below November. The 415,000 bales consumed in December bring the total consumption for the first five months of the season to 2,196,000 bales compared with 2,010,000 bales during the same period last season or an increase of 9.3 per cent. Since last June domestic mills have been consuming more cotton than during the corresponding month the previous year. In spite of this, however, mill stocks of raw cotton have been below a year earlier for several months but in November and December were not as much below as in previous months.

In the domestic cotton cloth industry production in December averaged 50.9 million yards per week which was 12.0 per cent below the rate of production maintained during November, but was 8.8 per cent above December 1930, according to reports of the Association of Cotton Textile Merchants of New York. Sales and shipments in December were also below November as is usually the case but they too were above December 1930 and were below production, resulting in an increase in stocks on hand and a decrease in unfilled orders during the month. For the calendar year 1931, however, both sales and shipments were substantially in excess of production and at the end of 1931 stocks were 20.3 per cent below a year earlier and unfilled orders 11.5 per cent above. This section of the domestic cotton industry is, therefore, in a considerably better statistical position than a year ago.

In Great Britain the improvement in the textile industry which followed the abandonment of the gold standard has ceased and during the past five or six weeks manufacturers have been losing ground, sales in most lines having been below production during this period. The recent developments in India (Great Britain's most important foreign market) have been unfavorable, but some optimism exists concerning trade with China in view of the continued boycott against Japanese products. On the Continent the textile situation continues depressed and the prospects are closely associated with the financial and political developments in Europe. Japan produced 10.1 per cent more yarn in November 1931 than in the same month in 1930 and slightly more than during the previous month although spinners had agreed to reduce production 5.8 per cent during November and December. Japanese exports of piece goods in November declined still fur-

ther and were much below a year earlier, reflecting the increased competition of British goods and the Chinese boycott. With yarn production the first four months of the present season about 14 per cent above the corresponding period in 1930-31 there is little doubt that consumption of American cotton in Japan during the period August to November this season has been well above the like period last season. During the period August 1 to December 21 this season exports from the United States to Japan were practically twice those of the corresponding period in the 1930-31 season whereas shipments of Indian cotton to Japan so far this season have been only a little over half those of last season. The Chinese and British owned mills in China were operating at a high rate in mid-December but the Japanese mills were reported as having curtailed production about one-third as a result of the boycott which includes goods produced by Japanese mills in China as well as goods coming from Japan. In 1930 the Chinese mills had 58.6 per cent of the total spindles in China, British mills 3.9 per cent and the Japanese owned mills 37.5 per cent. It is reported that mills in China are also using unusually high proportions of American cotton.

Exports of American cotton during December amounted to 1,181,000 running bales compared with 765,000 running bales in December 1930 or an increase of 54 per cent according to reports of the Bureau of the Census. Total exports for the season August - December amounted to 4,035,000 bales which is 89,000 bales more than during the first five months last season. Comparing exports this season with those for the corresponding month a year ago, a relative increase is shown for each month since September. Recently exports to Great Britain have increased but Japan and China have been the outstanding takers of American cotton this season. Exports for the season to January 1 to Japan were 108 per cent or 515,000 bales larger than for the corresponding date last year; those to Great Britain 21 per cent or 155,000 bales less; those to Germany 25 per cent or 284,000 bales less and those to France 75 per cent or 478,000 bales less but those to Italy 16 per cent or 45,000 bales more. From August 1 to January 6 total exports of cotton from Egypt amounted to 454,000 running bales, an increase of 60,000 bales or 15 per cent over the 1930-31 period. Exports of Indian cotton from August 1 to January 7, on the other hand, were about 46 per cent below the corresponding period last season, reflecting the decreased production and higher prices of India relative to American.

From information now available it looks as if the production of cotton in the principal foreign producing countries in 1931-32 will be around 1 million bales less than in 1930-31. India, China and Egypt may produce close to 1,600,000 bales less than last season while Russia, Brazil and Mexico combined may produce 600,000 bales more. The report from India indicating a decrease of 18 per cent in production with a decrease of only 3 per cent in acreage which points to a very low yield is substantiated to some extent by the fact that receipts of Indian cotton at Bombay from August 1 to January 7 this season were about 52 per cent below this period in 1930-31. The reduction in foreign production is more than offset by the 3 million bale increase in United States production.

Business Statistics Relating to Domestic Demand

Year and mo.	Industrial production 1/ (1) 1923-1925 =100	Industrial production 1/ (2) Trend = 100	Industrial production 1/ (3) June 1929 =100	Factory payrolls 2/	Factory employment 2/	Commodity: At farms 3/	Commodity: U.S. Wholesale 4/ 1910-1914 =100	Commodity: U.S. Wholesale 4/ 1926- =100	Commodity: Foreign 5/	Interest rates 6/	Industrial stock prices 7/
1929											
June	126	113	100	110	102	135	141	96	93	6.00	315
July	124	111	98	109	102	140	143	98	94	6.00	344
Aug.	123	110	97	110	102	143	143	98	93	6.03	361
Sept.	122	109	96	110	101	141	142	98	94	6.12	365
Oct.	118	105	93	106	100	140	141	96	93	6.09	321
Nov.	108	96	85	101	98	136	138	94	92	5.55	233
Dec.	101	90	79	98	95	135	138	94	91	5.00	247
1930											
Jan.	104	92	81	97	94	134	136	93	90	4.89	252
Feb.	107	94	83	95	93	131	134	92	88	4.65	268
Mar.	104	92	81	94	92	126	133	91	86	4.18	277
Apr.	107	94	83	95	92	127	132	91	86	3.88	288
May	104	91	80	93	91	124	130	89	84	3.69	269
June	100	88	77	91	89	123	127	87	84	3.54	239
July	95	83	73	85	86	111	123	84	83	3.16	232
Aug.	91	79	70	82	85	108	123	84	83	3.00	231
Sept	91	79	70	83	84	111	123	84	81	3.00	232
Oct.	87	76	67	78	83	106	121	83	79	3.00	196
Nov.	85	74	65	74	81	103	117	80	79	2.90	182
Dec.	82	71	62	73	79	97	114	78	77	2.88	170
1931											
Jan.	83	72	63	70	78	94	112	77	76	2.80	168
Feb.	86	74	65	72	77	90	110	76	75	2.62	181
Mar.	88	76	67	72	78	91	109	74	75	2.55	182
Apr.	90	77	68	72	78	91	107	73	75	2.38	162
May	89	76	67	71	78	86	104	71	73	2.20	143
June	84	72	63	68	76	80	102	70	73	2.02	138
July	83	71	62	67	75	79	102	70	72	2.00	143
Aug.	79	67	59	64	74	75	102	70	71	1.96	139
Sept	76	64	57	62	73	72	101	69	70	2.00	119
Oct.	73	62	55	58	70	68	100	68	70	2.98	102
Nov.	72	61	54	56	68	71	100	68	71	3.75	104
Dec.						66					81

1/ Federal Reserve Board, 1923-1925 = 100. (1) adjusted for seasonal.
(2) adjusted for seasonal and trend.
(3) per cent of peak in June, 1929.

2/ Federal Reserve Board, 1923-1925 = 100, adjusted for seasonal.

3/ U.S.D.A., August 1909 - July, 1914 = 100.

4/ Bureau of Labor Statistics.

5/ Weighted average of indexes for eight foreign countries - United Kingdom, Canada, Japan, France, Italy, Germany, China and the Netherlands, 1926 = 100.

6/ Commercial paper at New York, adjusted for seasonal.

7/ Dow-Jones index is based on daily average closing price of thirty stocks.

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UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics
Washington

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THE PRICE SITUATION, FEBRUARY 1932

FARM PRICES

The general level of prices received by producers of farm products registered a new low on January 15 at 63 per cent of the pre-war average. This represents a decline of 4.5 per cent during the previous month; 22 per cent during the previous year; and 53 per cent since January 1929. Prices of farm products have declined still further since mid-January. The Bureau of Labor Statistics' weekly index of wholesale prices of farm products declined 8 per cent during the last half of January.

The decline in the farm price index from 66 on December 15 to 63 on January 15, was almost wholly accounted for by the more than seasonal decline in the prices of dairy and poultry products which had previously declined less than other farm products. During the month ended January 15, the index of dairy products declined 8 per cent, from 92 to 85, while the index of poultry products declined 28 per cent, from 120 to 87 per cent of pre-war. Fruits and vegetables only showed an increase, which amounted to 2 per cent. The indexes for cotton and cotton seed, grains, and meat animals were unchanged at 45, 52 and 68 per cent, respectively, of the 1910-1914 average.

The movement of prices of 24 major agricultural commodities during the month ended January 15, reflected a decline in 13 individual commodities, while 8 were unchanged, and 5 registered an increase. The greatest change was the decline in the price of eggs, from 25.6 cents to 17.2 cents per dozen. Butter and butterfat also experienced a marked decline. The price advances were all moderate and were confined to potatoes, apples, cotton, lambs and veal calves.

GENERAL COMMODITY PRICE LEVEL

The Bureau of Labor Statistics' index number of wholesale prices registered a new low for December at over 2 per cent below the November average. The new enlarged index of 784 commodities computed by the Bureau of Labor Statistics- which at present is a little over 2 per cent above the former 550 commodity index - for December was 68.6 per cent of the 1926 average, compared with 70.2 in November. Wholesale prices continued to decline throughout January and the new index, which is computed on a weekly basis, was 66.7 for the week ended January 30. This is equivalent to 98 per cent of the general level of prices during the pre-war period, 1910-1914. The weekly indexes indicate that the decline in the average of wholesale prices during January was slightly less than during December.

The combined currency index of prices in 8 foreign countries which take about 75 per cent of our agricultural exports, after a temporary rise in November, declined slightly in December to about the October level. This combined index on a currency basis - which has been slightly revised upward - for December was 71.8 per cent of the 1926 average. The combined index adjusted to a gold basis, declined from 65 for November (1926 = 100) to 61.3 for December. According to a recent Berlin dispatch, wholesale prices in Germany as of

gold. The volume of bank credit has continued to decline, the decline at this time, however, is in part seasonal.

WHEAT

Cash wheat prices in the United States were a little higher in January than in December. Prices during the latter part of January recovered a little more than they had declined early in December, but the fluctuations were small. Prices of wheat futures in the United States and at Liverpool showed divergent tendencies, Liverpool May futures (in terms of United States currency) declining while Chicago May futures rose, with the result that Chicago ranged from 3 to 6 cents per bushel above Liverpool during the last week of January. During early February, however, Chicago futures declined while Liverpool remained fairly steady and the spread narrowed. Overseas shipments of wheat from the principal exporting countries increased during January due to a larger movement from Argentina and Australia.

The United States farm price averaged the same for January 15 as for the previous month, 44.1 cents per bushel, the principal improvement in market prices during January having taken place after the middle of the month. The weighted average price of all classes and grades of wheat at 6 principal markets was 61.3 cents per bushel for January compared with 60.0 cents in December. At Kansas City, No. 2 Hard Winter rose from an average of 51.0 cents per bushel the last week of December to 54.2 cents for the third week of January, then declined to 51.5 cents for the week ended January 29 and recovered to 53.7 cents per bushel for the week ended February 5. At St. Louis, soft red winter and at Minneapolis hard red spring and durum wheats moved in similar fashion, the highest weekly average prices being those of the third week of January.

Small supplies of hard red spring and durum wheats continue to result in these classes selling at much higher prices than winter wheats. At Minneapolis, the January average price of No. 1 Dark Northern Spring was 77.0 cents per bushel and that of No. 2 Amber Durum 86.9 cents compared with 52.6 cents and 56.6 cents per bushel respectively for No. 2 Hard Winter at Kansas City and No. 2 Red Winter at St. Louis.

In the principal unprotected foreign markets wheat prices declined, but on the Continent of Europe they showed divergent tendencies during January. At Liverpool and Buenos Aires prices declined. At Paris and Milan domestic wheat showed little change, whereas at Berlin there was a distinct improvement, there being a rise from 143 cents per bushel the first week of January to 150 cents for the last week of the month.

During January, Liverpool May futures declined fairly steadily from a close of $57\frac{3}{4}$ cents per bushel (prices converted at current rate of exchange) to 53-5/8 cents per bushel on the 28th. There followed a sharp rise which brought the closing level on the 30th of January to $55\frac{1}{2}$ cents, and during the first ten days of February prices fluctuated about that level, closing on the 10th at 56 cents per bushel.

The decline of Liverpool prices accompanied rapidly mounting world shipments, there having been a rise from an average level of about $11\frac{1}{2}$ million bushels weekly during December to a high point of 19 million bushels for the third week of January. For the last week of January and the first week of February, however, they amounted to only 14.2 million and 15.8 million bushels

respectively. The increase during January was due to the beginning of the new crop movement from the Southern Hemisphere. Shipments from Australia began to increase in December and increased very sharply in January. Argentine shipments, while increasing somewhat in December, showed no marked increase until mid-January. Shipments from North America have continued at an average level of a little over 5 million bushels weekly during January which is about the same level as that reached in mid-December following the decline during late November and early December. Shipments from Russia, the Danube Basin, and other countries have been very small in recent weeks. The average level of world shipments during the past four weeks has been a little under 17 million bushels weekly, or about the same as the level which obtained during September, October and early November.

Present estimates of production and carry-over together with exports to date indicate the combined exportable surplus of Argentina and Australia as of February 1 to be approximately 224 million bushels compared with 291 million last year. The current Australian crop year closes November 30 and that of Argentina December 31, 1932. The Canadian surplus available for export and carry-over is estimated at about 186 million bushels as of February 1 compared with 242 million a year previous. Thus the total surplus for export and carry-over of these three countries this year as of February 1 is, according to present estimates, 410 million bushels compared with 533 million, February 1, 1931. In the months February to June, last year, these same three countries exported 263 million bushels of wheat.

There have been significant seasonal relaxations of milling restrictions on the European Continent. In the past month Italy has increased the per cent of foreign hard (durum) wheat permitted from 50 to 80 per cent and has also increased the percentage of foreign grown soft (bread) wheat which may be milled from 5 to 30 per cent. The amount of foreign wheat which may be used by French millers has also been increased first to 10 per cent and then to 15 per cent. In Germany, stocks of domestic wheat are reported to be very small and a decrease of the proportion of domestic wheat required may result.

Prices in United States markets continue high relative to prices in other parts of the world except on the Continent of Europe where restrictive measures are keeping the prices of domestic wheat at much higher levels. At Kansas City No. 2 Hard Winter wheat averaged only about 3 cents per bushel under the indicated level of British parcels during January. May futures at Chicago averaged 58 cents per bushel compared with a Liverpool average for the same delivery of 56 cents per bushel. This difference of 2 cents in favor of Chicago contrasts with the usual situation when Chicago May futures at this time of year are below Liverpool. Thus, in January, 1929 Chicago averaged 12 cents below Liverpool, and in January 1930, 10 cents below Liverpool. In January 1931, stabilization activities kept United States prices above their usual relationship to Liverpool, Chicago May futures averaging about 20 cents per bushel above Liverpool. This year the relatively high United States prices may be explained partly by the combination of a short spring wheat crop and the restricted sales of Stabilization Corporation holdings. In addition the reduced sowings of winter wheat and uncertainty as to the probable outturn of the crop, together with a general reluctance of farmers to sell at present levels contribute to the relatively high United States prices. No considerable amount of export sales can be made in the ordinary course of trade unless Liverpool prices are considerably above those of the United States.

CORN

Cash corn prices averaged practically the same in January as in December. Market receipts continue very small so that commercial stocks are increasing but little, in spite of small industrial utilization and small shipments from the principal markets. Apparently growers of corn generally are unwilling to sell freely at present prices whereas the demand for corn in deficit areas is very restricted because the low prices of dairy products and meat animals, and in some cases because of sheer inability to purchase feeds.

The United States average farm price as of January 15 was 33.7 cents per bushel compared with 34.5 cents a month earlier, small declines being general throughout the country. The average price at the principal markets was practically the same as that of the previous month, the weighted average of all classes and grades at 5 markets being 37.0 cents per bushel for January compared with 37.1 cents for December. The January average price of No. 3 Yellow at Chicago was also 37.0 cents per bushel compared with 37.1 in December. Prices fluctuated within a narrow range, the lowest weekly average during January for No. 3 Yellow corn at Chicago being 36.4 cents per bushel for the week ended the 15th, and the highest was 37.6 cents for the week ended the 22nd. Prices declined somewhat in early February, averaging 35.8 cents for the week ended the 5th.

Receipts of corn at principal markets have continued at the lowest level of recent years, amounting to only 9.8 million bushels during January compared with an average of 30.1 million for the preceding five Januarys. Prior to this year, the lowest level of January receipts since the total for 14 markets was first available in 1924, was 19.3 million, which was the figure for January, 1931, while the highest was 53.8 million for January, 1929. Despite the very low level of receipts, however, there has been some increase in commercial stocks, the increase being from 12.7 million bushels as of January 2 to 15.1 million for February 6. These stocks, however, are at a relatively low level, the average for the corresponding week for the past five years being 29.0 million bushels, while a year ago they amounted to 17.4 million.

Industrial utilization of corn continues at a low level. Wet process grindings during January amounted to 5.1 million bushels compared with 6.0 million bushels during 1931, and an average of 7.4 million for January of the five years 1927 to 1931. Total wet process grindings for the months November to January inclusive of the current season have amounted to 16.1 million bushels compared with 16.7 million during the corresponding period of last season and an average of 20.1 million during the corresponding period of the past five seasons.

No significant change is apparent in the general corn demand situation during the past month. Low prices of dairy products and meat animals continue to restrict feeding demand by those who must buy corn for feed and the mild winter has reduced the amount of grain needed for feeding. Furthermore, in some of the drought regions, though corn and other feedstuffs may be urgently needed, it appears that farmers are often unable to purchase shipped-in feedstuffs. In regions where corn is available and does not have to be purchased, however, increased livestock numbers together with low prices of corn are apparently resulting in increased feeding as compared with a year ago.

The total number of swine on farms January 1 was estimated to have been 9.4 per cent more than a year earlier, while cattle and sheep numbers have increased 2.4 and 2.2 per cent respectively. The increases in hog numbers were principally in the States where larger supplies of corn were available this

year than last. Thus, in Iowa there was an 8 per cent increase, in Missouri, 15 per cent increase, and in Kansas a 25 per cent increase, while South Dakota hog numbers decreased by 17 per cent. For the North Central States which have over two-thirds of the hogs in the United States, there was an increase of approximately 7 per cent, and in the South Central States an increase of 22 per cent.

TOBACCO

Tobacco markets in January continued to react unfavorably to the large supplies of leaf, restricted buying power of consumers and disturbed conditions in foreign countries.

For most types, prices during the month were lower than in December, and the buying side of the market continued weak. Nevertheless, the volume of farmers' offerings was reported to be about normal for the size of crop and, altho rejections were reported heavy in some sections, it appeared evident that most of the merchantable leaf produced in 1931 would be sold from first hands by the end of the season.

Prices per pound for the 1931-32 season to February 1 and those for the full 1930-31 season compared approximately as follows: flue cured, 8.5 cents and 12.0 cents; Virginia fire-cured, 4.8 cents and 8.3 cents; Clarksville and Hopkinsville fire-cured (Kentucky), 5.5 cents and 7.5 cents; Paducah fire-cured (Kentucky), 3.6 cents and 5.3 cents; Henderson fire-cured, 3.4 and 6.9 cents; burley, around 9 cents and 15.4; one-sucker, 3.2 cents and 7.0 cents; Green River, 3.2 cents and 8.9 cents; Virginia sun-cured, 5.5 cents and 7.7 cents. No comparable quotations are available for the cigar types.

Domestic consumption of tobacco products, as indicated by tax-paid withdrawals of internal revenue stamps, has been declining for a number of months and data for December 1931 showed a continuation of this downward trend. For the full year 1931 the total consumption of all products was about 4 per cent less than in 1930, but the decline during the last half of the year was much greater than during the first half. The consumption of cigars has declined more than that of other products, about 10 per cent for the year, but cigarette consumption also has slackened materially in recent months. The output of smoking tobacco apparently has increased to some extent during this depression but the increase has been far from sufficient to offset the decreased consumption in other forms.

Exports of leaf tobacco during December continued to reflect the financial disturbances and reduced buying power in foreign countries. Flue-cured shipments for the month, 49 million pounds, compared favorably with the amount exported in December 1930, but a considerable factor in this movement appears to have been the lower prices which have prevailed for the 1931 crop, particularly the low grades of leaf. This is indicated by the relatively large takings by China and the continued low level of purchases by the countries normally importing higher quality leaf. During the calendar year, 1931, for the first time in history, exports to China exceeded those to the United Kingdom in amount, 149 million and 145 million pounds respectively. Total exports of flue-cured for the six months July to December, 1931, were 196 million pounds, which was 18 per cent less than during the same period in 1930 and nearly 10 per cent less than the 5-year average 1925-1929.

Exports for the fire-cured types in December continued on a greatly restricted scale, being 35 per cent less than in December 1930 and 54 per cent less than the 5-year average 1925-1929. For the full year 1931 exports of the Kentucky-Tennessee types were 69 million pounds, compared with 105 million pounds in 1930 and an average of 102 million pounds during the five years 1925-1929. Exports of Virginia fire-cured in 1931 were 12 million pounds, compared with 15 million pounds in 1930 and a 5-year average, 1925-1929, of 21 million pounds.

POTATOES

The average farm price of potatoes for the United States on January 15, was 47 cents per bushel compared with 46 cents on December 15, and 90 cents on January 15, 1931. Potato prices in New York City were steady during most of January, with a slight drop of about 1 or 2 cents per hundred pounds near the end of the month. Prices to jobbers in Chicago declined about 8 cents per hundred during January. Potato prices improved some at primary markets during early February while at the same time f. o. b. prices at shipping points were somewhat weaker.

The United States potato crop in 1931 was 376 million bushels compared with 333 million bushels in 1930 and 329 million bushels in 1929. In spite of the larger crop in 1931 it appears that farmers have marketed less of their potatoes so far this season than by this time last year. Car-lot shipments of potatoes for the season to January 30 were only 92,000 cars this year compared with 113,000 last year. This apparent decline in shipments this year is perhaps offset to a considerable extent by increased movement of potatoes by trucks, for which but few figures are available. Total car-lot shipments (including imports equivalent to 18 cars of new potatoes from Bermuda) amounting to 17,456 cars for January were the lowest for any January since 1926. These shipments included 88 cars of new potatoes from southern Florida and southern Texas.

Rail, auto-truck and boat unloads at New York City for the last four months of 1931 and 1930 totaled 7,498 and 8,364 carloads respectively, a decrease of 866 carloads or 10 per cent. The unloads at Philadelphia for the same months of 1931 and 1930 were 3,130 carloads and 3,115 respectively an increase of 15 carloads. For Boston unloads for the same period totaled 2,787 in 1931 and 2,779 in 1930, an increase of 8 cars. Total unloads at Salt Lake City for the last six months of 1931 were 425 compared with 393 cars in 1930, an increase of 10 per cent. At Los Angeles for the same months 4,286 cars were unloaded in 1931 and 4,295 in 1930. With the exception of New York City the total unloads of potatoes at these markets compares favorably with unloads of the preceding years. These data, indicate that car-lot shipments by rail are becoming less and less reliable as an indication of the movement of potatoes into consumptive channels. Until more complete data are made available it will not be possible to evaluate the opposing influences on the consumption of potatoes, of reduced consumer purchasing power on the one hand, and the fact that potatoes are, on the other hand, one of the cheapest foods which people in dire necessity can turn to as a means of subsistence.

If the "intentions-to-plant", which were reported to the United States Department of Agriculture on January 1, are carried out, farmers in the 18 surplus late-potato producing States will plant only a slightly smaller potato acreage in 1932, than in 1931. If normal yields are obtained on the intended acreage, it will result in a considerably larger crop than last year, and larger than any of the past three years, during which yields have been low because of drought and other unfavorable conditions. The 11 early Southern potato-producing States planned to decrease their acreage by 11 per cent, while the 7 Intermediate States indicate a reduction of about 2 per cent in acreage for 1932. For the United States as a whole, the "intentions-to-plant", indicate that the potato acreage in 1932 will be only 1 or 2 per cent less than last year, and if more nearly normal yields are obtained the United States potato crop will be larger than last year.

RICE

Rice prices in California and in the Southern Belt declined during January. Fancy Blue Rose at New Orleans was quoted at $2.75 to $2.87½ per 100 pounds on February 1 as compared with $2.87½ to $3.00 on January 1. Blue Rose rough at Louisiana mills was quoted at $2.15 to $2.40 per barrel on February 1 as compared with $2.40 to $2.60 a month earlier. At San Francisco fancy California-Japan was selling at $2.95 per 100 pounds on January 2, and $2.92½ on February 1. No. 1 Brown was quoted at $2.65 per 100 pounds on January 2 and $2.52 on February 1.

Southern Belt

Stocks of rough and milled rice in millers' hands on February 1 were reported to be the equivalent of 188,080,800 pounds of milled or 1,880,808 barrels of rough rice as compared with 174,800,000 pounds of milled or 1,748,000 barrels of rough a year earlier. Stocks in growers' and millers' hands on February 1 were reported to be somewhat heavier than the 5,285,000 barrels of a year earlier.

The movement of rough rice from farms to mills was heavier during January than during December but the movement of milled rice from mills into consuming channels was lighter. The January movements of both rough and milled rice were below those for January 1931. Sales of milled rice by mills during January were reported to be 73,670,200 pounds as compared with 112,900,000 pounds during January 1931. The recent decline in movement of southern milled rice can be accounted for in large part by the relatively low shipments to Porto Rico during January and low exports during December and January. Shipments to Porto Rico for the crop year through January totaled about 102,000,000 pounds as compared with 112,000,000 pounds for the corresponding period last year. Exports through southern ports for the same periods were 92,000,000 this year as compared with 119,000,000 last year. Exports to South American markets have declined very materially this year as a result of the competition from Brazil and also because of the decreased purchasing power of consumers in the importing countries. Exports to Europe during the first four months of the 1931-32 season were above the corresponding period last year but declined materially during December and January. A recent increase in the Cuban import duty on rice places the duty at .82 cents per pound as compared to the old duty of .41 cents for cleaned rice from the United States and 1.37 cents per pound (former duty .67 cents) from other countries.

A consumption tax of half a cent per pound also has been levied on all rice in Cuba. The purpose of these higher import duties is to discourage imports and stimulate domestic production. The increase in duty on other foreign rice was .29 cents per pound more than the increase on rice imported from the United States thus tending to discourage imports from other foreign countries more. Total annual rice imports into Cuba averages from 450 to 500 million pounds. Cuban production for 1928 and 1929 averaged 7 million pounds.

California

The movement of California rice into consuming channels was below average during January. Shipments to Hawaii totaled about 6,000,000 pounds which was about 500,000 pounds under the movement to that market during January 1931. The movement to Hawaii for the crop year to February 1 was about 38,000,000 pounds compared with 43,000,000 for the corresponding period last year. Exports of California rice to February 1 were materially below those of the corresponding period last year. Exports to Canada have been very low and exports to South America and Japan have been almost non-existent. In spite of recent price advances in Asiatic-exporting countries prices in those markets continue considerably below California prices of brown rice.

HOGS

Although hog prices were unusually low in December they continued to decline through January which is contrary to the usual seasonal movement in that month. Unseasonably warm weather in many sections, lack of improvement in consumer purchasing power, a weak storage demand, and increased market receipts late in the month were factors causing the January decline. Prices for live hogs at Chicago averaged $4.00 per 100 pounds for the month as compared with $4.20 in December and $7.65 in January, 1931. The weekly average at that market dropped from $4.32, the week ended January 2, to $3.81 during the second week in February. This was the lowest weekly average in more than thirty years.

Federally inspected hog slaughter during January, amounting to 5,027,000 head was about 7 per cent smaller than that of December and about 6 per cent smaller than in January last year. Slaughter supplies at 9 centers during the fourth week were the second largest for any week in the current hog marketing year which began with last October. Although there was some seasonal reduction in slaughter during the first two weeks in February, the slaughter at 9 centers during these weeks was 6 per cent larger than that for the corresponding period in 1931. Slaughter during the first four months of the current marketing year totaled 18,404,000 head, which was 5 per cent more than the slaughter in the corresponding period a year earlier. The increase, thus far, over the corresponding period of the previous marketing year is about in line with the indicated percentage increase in the 1931 spring pig crop.

The weekly average weight of hogs slaughtered at the 7 leading markets increased seasonally during January but the monthly average was almost 4 per cent less than that of January 1931.

Prices of fresh pork rose somewhat in early January but the gains were more than offset by declines during the last three weeks of the month. Most cuts, however, advanced in price during the first week in February. Prices of light loins at New York, averaged $10.51 per 100 pounds in January, compared with $10.17 in December and $15.10 in January, 1931.

Cured pork prices were irregular during the month. Bacon prices declined, but prices of cured hams advanced. The advance, however, was mostly on skinned hams. Lard prices declined sharply during the first week of January and continued near this lower level through the first week in February. The monthly average at New York of $7.10 per 100 pounds was $1.09 below the December average and $5.90 less than the January average last year. The composite wholesale price at New York for 100 pounds of the principal hog products (weighted according to the proportion of these products obtained from hogs averaging about 200 pounds) averaged $12.26 compared with $13.07 in December and $18.58 in January last year.

The movement of pork and lard into consumptive channels continued relatively heavy during January and apparently was somewhat larger than that of January 1931. Stocks of pork on February 1 amounting to 674 million pounds were 111 million pounds, or 20 per cent, larger that those of January 1 but they were 7 per cent smaller than the stocks on February 1 last year and 4 per cent smaller than the 5-year February 1 average. The increase in lard stocks during January was relatively large. The total of 79 million pounds on February 1 was 53 per cent larger than that of January 1 and 25 per cent larger than that of February 1 last year but it was 12 per cent smaller than the 5-year February 1 average. Lard production during December was almost 13 per cent larger than in December 1930 whereas the increase in total dressed weight of hogs slaughtered was only 12.6 per cent. Had both the average live weight and the average dressing percentage of hogs been as high in December as in December 1930 the total dressed weight of hogs slaughtered under Federal inspection would have been about 30 million pounds larger than it actually was.

There is considerable evidence that the supply of hogs for slaughter during the remainder of the winter marketing season ending with March is as large as a year ago, if not larger. Total hog numbers on farms as of January 1, were estimated to be 5 million larger than those of a year earlier. Almost 3 million head of this increase was in the Corn Belt States, the largest relative increases in that region being in Kansas, Michigan, Missouri, Illinois, Indiana, Iowa and Wisconsin. Marked decreases were indicated in the Dakotas where feed supplies are short. The feed shortage in those two States and in western Minnesota, northwestern Iowa and much of Nebraska has probably resulted in an earlier movement of hogs to market from that section than last winter, whereas in the Eastern and Southern Corn Belt where feed supplies are more plentiful the market movement is apparently somewhat later than last winter. Bad road conditions in many parts of the Corn Belt during much of January, due to mild weather and heavy precipitation, apparently tended to cause farmers to reduce shipments to some extent in that month. There also has been some holding-back of hogs in hopes of a better market in late winter.

CATTLE

Cattle prices held fairly steady during the first half of January but slumped badly during the second half. This decline continued into the first week in February and carried the general level of cattle prices to the lowest point yet reached in the present decline and to the lowest point in over twenty years.

The decline was most marked on the better grades of slaughter cattle but to some extent this was seasonal and the prices of good and choice steers at Chicago early in February were still above the low point reached at the end of last May. Lower grades of slaughter steers and all grades of butcher cattle and stocker and feeder cattle reached new low levels. The average weekly price of choice steers the first week in February at $9.15 was $1.69 lower than for the first week in January but $1.70 above the last week in May; good steers at $7.40 were $0.90 lower than the first week in January and $0.60 above the last week in May; medium steers at $5.64 were $0.74 and $0.67 lower respectively and common steers at $4.42 were $0.38 and $1.20 lower respectively, than in January and May. The low prices of low grade slaughter steers adversely affected the better grades of butcher cattle and the best grain finished cows early in February were only bringing $4.00 per hundred pounds with the top on cutter cows around $2.50. This low level of cow prices at Chicago indicates that very good butcher cows at country points in the Middle West are only worth $2.50 and low quality dairy cows not much over $1.00 a hundred at country points which is probably as low as such cows have sold for at this time of the year during the present century.

Supplies of cattle during January were relatively small. Receipts at 7 leading markets were 5 per cent smaller than in January 1931; inspected slaughter was almost the same as in January 1931 but was 9 per cent below the 5-year January average and the third smallest for January in sixteen years. Inspected slaughter of calves was about 9 per cent smaller than in January 1931 and also than the 5-year January average. Shipments of stocker and feeder cattle to country points were much smaller than in January 1931. Supplies of choice steers at Chicago were seasonally very small and but little different from January a year earlier, supplies of good steers were about 6 per cent larger and of all beef steers about 15 per cent larger.

The weakness of cattle prices reflected the general weakness in the dressed beef market. During much of January wholesale houses, especially in the East, were reported as having difficulty in moving current supplies and sharp price concessions were necessary to clean up occasional accumulations. Low prices for pork products and unusually warm January weather tended to further reduce consumer demand for beef.

BUTTER

With production of butter decidedly larger than a year ago, and trade output approximately the same as a year ago, butter prices declined more than usual during January, to about the same level as in the summer of 1931. Foreign prices (on a gold basis) increased slightly during January, and the margins of domestic over foreign prices declined to less than half of the existing tariff rates.

Production of creamery butter in December of 121.1 million pounds was 8.4 per cent larger than the record December production in 1930. Production in December was 8 per cent larger than in November as compared with the usual seasonal increase of about 4 per cent. The index number of butter production (1925-1929 = 100, adjusted for seasonal variation) rose from 129 in November to 134 in December. The index number of production of the important manufactured dairy products rose from 127 in November to 131 in December, and compares with 94 in August, the low point in 1931. Weekly reports of butter production during January and early February indicated that production is continuing at a higher level than a year ago.

The price of 92-score butter at New York during January averaged 23.6 cents compared with 30.5 cents in December and 28.5 cents a year ago. Prices declined from 31.2 cents for the week ended December 26 to 21.6 cents for the week ended January 30. The decline from December to January of 23 per cent compared with the usual seasonal decline of about 8 per cent.

The farm price of butterfat on January 15 of 22.8 cents was 4.5 cents less than in December and 3.4 cents less than a year ago. Even with this sharp reduction the farm price of butterfat on January 15 was relatively high as compared with farm prices of corn and wheat.

The number of milk cows and heifers two years old and over on January 1, 1932 was estimated to be 24.4 million head, or 3.5 per cent more than a year ago and 10.2 per cent more than on January 1, 1928, the last low point in milk cow numbers. The increase during 1931, which was the largest yearly increase in over thirty years, was due in large part to reduced culling. The slaughter of cows and heifers under Federal inspection during 1931 was about 7 per cent less than in 1930 and 25 per cent less than the 8-year average 1923-1930. The number of heifers one to two years old being kept for milk cows on January 1, 1932, was 3.2 per cent less than a year earlier. The number of heifers per 100 milk cows on January 1, 1932 of 19.3 was the lowest since January 1, 1923.

The trade output of creamery butter in December of 136.8 million pounds was only 0.4 per cent larger than a year ago. Total trade output for 1931, however, was 3.1 per cent larger than in 1930. Retail prices of butter in cities as reported by the Bureau of Labor Statistics during 1931 averaged about 23 per cent less than in 1930.

Cold storage holdings of creamery butter on February 1 were 22.5 million pounds compared with 46.8 million pounds a year ago and the 5-year average of 35.6 million pounds.

Prices of butter in London and Copenhagen in early February were about the same as late in December, in marked contrast with the sharp decline in domestic prices. On February 4 the price of 92-score butter at New York was only 3.6 cents higher than the Copenhagen official quotation, 1.5 cents higher than Danish butter in London, and 6.4 cents higher than New Zealand butter in London. The margin of domestic over foreign prices (on a gold basis) was the narrowest since last September when England went off the gold standard.

CHEESE

Cheese prices declined during January and early February. The sharp break in butter prices and relatively heavy stocks of cheese as compared with other dairy products, tended to depress prices. Cheese production in December was about the same as a year earlier, but the movement into consumptive channels was decidedly less.

The seasonal low point in cheese production usually comes in December. Production in December of 1931 of 26.7 million pounds was 0.6 per cent less than a year earlier but 23 per cent less than in November. The usual seasonal decline from November to December is about 10 per cent. In 1930 however, the decline from November to December was only 2 per cent.

The ruling price of cheese (twins) on the Wisconsin Cheese Exchange during January averaged 10.9 cents as compared with 12.0 cents in December and 14.0 cents a year ago. The ruling price of 10 cents in early February was the same as the low point in 1931. Milk delivered to American cheese factories in Wisconsin is probably returning the producer about 80 cents per hundred pounds.

The trade output of cheese during December of 37.3 million pounds was 9.4 per cent less than a year ago, as compared with 2.7 per cent larger in November and 6.9 per cent larger in October. Total trade output for 1931, however, was practically the same as for 1930. Retail prices of cheese in American cities during 1931 as reported by the Bureau of Labor Statistics averaged 20.0 per cent less than in 1930.

Cold storage holdings of American cheese on February 1 were 49.4 million pounds compared with 54.5 million pounds last year and the 5-year average as of February 1 of 50.8 million pounds.

Cheese prices in London (on a gold basis) during the first five weeks of 1932 were relatively stable, so that the margin between domestic and foreign prices declined. Imports of cheese during December of 5.2 million pounds were about the same as a year ago. Total imports of cheese during 1931 of 62.0 million pounds were 9.3 per cent less than in 1930.

EGGS

The decline in egg prices from December to January this season was more than normal, and was somewhat greater than last year as storage stocks, now relatively large, were being reduced very slowly and receipts continued relatively heavy. Apparent consumption in January was below that of a year ago.

The price of fresh extras at New York averaged 21.3 cents during January, 4.5 cents below a year ago and a decline of 11.8 cents from the December average as compared to a similar decline of 8.9 cents last year. Fresh firsts, which averaged 18.8 cents in January, also fell about 3 cents more than a year ago. The farm price of eggs, showing the same tendency, fell to 17.2 cents on January 15.

Receipts of eggs at the four markets during January were 864,000 cases as compared to 968,000 cases a year ago and have been exceeded in but two of the last ten years. While production is below that of last year in all sections it appears to be relatively lightest in the Middle Western area. Early hatchery reports indicate the possibility of a reduction of flocks in commercial areas.

Cold storage stocks of case eggs on February 1 were 664,000 cases as compared to 734,000 cases a year ago and a 5-year average of 280,000 cases. Stocks of frozen eggs on February 1 were 72,361,000 pounds, equivalent to 2,067,000 cases as compared to 75,000,000 pounds or 2,154,000 a year ago.

Apparent consumption is somewhat below the level of last year. Trade output in the four markets during January was 1,200,000 cases as compared to 1,400,000 cases in January 1931.

POULTRY

The farm price of chickens declined from December 15 to January 15, contrary to the usual seasonal course, even though both receipts and storage holdings were below average. The farm price on January 15 was 13.3 cents per pound as compared to 13.9 cents on December 15, and 15.7 cents a year ago. The usual trend of prices at this time of the year is upward, as receipts are reduced and storage holdings are the major source of supply.

Receipts of dressed poultry at the four markets during January were 23.4 million pounds as compared to 33.0 million pounds a year ago and a 5-year average of 30.0 million pounds. The number of chickens on farms on January 1 was about 5 per cent less than a year ago. Early hatchery reports indicate some increase in early spring broilers.

Storage stocks of frozen poultry on February 1 were 111,576,000 pounds as compared to 101,323,000 pounds a year ago and a 5-year average of 121,697,00 pounds.

Apparent consumption is somewhat below the level of last year. Trade output in the four markets during January was 27.2 million pounds as compared to 33.2 million pounds in January 1931.

LAMBS

The low point of lamb prices for the current season to date was reached about the middle of December and since then the trend of prices has been upward, although price fluctuations from week to week and even from day to day have been rather wide. The movement has been somewhat the reverse of what it was for several months before the December low point was reached. During that period prices would decline to a new level, make some recovery and then decline to another new low level. In the current upward movement prices would advance sharply for a few days, then lose a part of this gain and then advance again to a higher point than that previously reached.

In this manner prices advanced from a point where the top on choice fed lambs at Chicago was around $5.50 in December to a top of $7.40 early in February. The average price on good and choice lambs at Chicago for January was $6.16, compared with $5.68 in December and $8.71 in January 1931. This advance in live lambs reflected the improvement in the wholesale dressed market, the average price of good and choice dressed lambs at New York in January being $13.86 compared to $12.22 in December and $20.00 in January 1931.

The mutton market also showed improvement in January with a consequent relatively large advance in slaughter ewe prices, these advancing from a level where the top on ewes was $2.75 in December to a top of $4.25 early in February. This was the highest quotations on such ewes since last April. The improvement in fat lamb prices resulted in a strengthening in demand for feeding lambs and some improvement in prices.

The improvement in lamb prices took place in face of very large supplies. Inspected slaughter in January at 1,679,000 head was nearly 250,000 head or 17 per cent larger than either December 1931 and January 1931 and 39 per cent larger than the 5-year January average. It was not only the largest for the month on record and the largest for all months during the first half of the year but was the fourth largest for all months.

Reports from the range sheep States as of February 1 indicate a very serious situation in many of these States. January weather was cold and snowfall was heavy in many sections especially where the feed shortage from last year's drought was most acute. With deep crusted snow covering available browse, with snow blocked roads making movement of corn and cake difficult, and with funds for purchasing feed limited or exhausted, the situation confronting many sheep outfits was desperate. Losses in January were heavy and unless unusually moderate weather prevails until spring brings new grass, they will continue heavy.

WOOL

No material changes have occurred in the wool situation for the past month. There was some increase in activity in the Boston wool trade in January as a result of orders for goods for the Easter trade, but sales

slackened in February. A number of quotations had become nominal and as sales were made there were some downward revisions in prices. The price of 64s, 70s, 80s, (fine) strictly combing, Ohio and similar grease wools declined 1 cent per pound at Boston in January and on February 6 were quoted at 23½ cents per pound. The price of 56s, (3/8 blood), grease wool has been around 23½ cents per pound since October. Foreign markets were steady to firm in January whereas in December they had weakened. Prices at the January series of the London wool sales were only slightly different than those at the December sales. Sales were very satisfactory, however, exceeding those of the first series of 1931 by 19,000 bales and exceeding those of the first series of 1930 by 22,500 bales. Buying by continental agents as well as Yorkshire representatives was greater than the January series in either 1931 or 1930. Buying is reported to be active and prices slightly higher at the Australian sales. In South Africa where the gold standard is still maintained the Government is now paying wool growers a subsidy of 25 per cent on sales in an effort to assist them to sell in competition with growers of Australia where currency has depreciated materially.

Consumption of combing and clothing wool by United States manufacturers again declined in December. The consumption reported for that month was approximately 26,300,000 pounds (grease equivalent) compared with 28,900,000 pounds in November and 25,500,000 pounds in December 1930. For the entire year 1931 reporting manufactures consumed approximately 410 million pounds (grease equivalent) of combing and clothing wools. In 1930, reported consumption was 342 million pounds and in 1929 it was 423 million pounds. Receipts of domestic wool at Boston during 1931 were the largest in more than thirty years, and amounted to 254 million pounds. Imports of foreign wool on the other hand, were the smallest of the past thirty years. Only 37 million pounds of combing and clothing wool were imported by the United States in 1931 compared with 69 million pounds in 1930 and 102 million pounds in 1929. While the great decline in imports during recent years has been largely due to the rapid increase in United States wool production since 1922 the need for importations last year was further reduced by the heavy accumulation of stocks during the period of low consumption in 1930.

The carry-over of wool into the current season was fairly large in the Southern Hemisphere and stocks are higher than they were last year. Total production of wool for 1931 in 10 countries which account for approximately four-fifths of the world clip exclusive of Russia and China is still estimated at an increase of 4 per cent over the 1930 production in these countries. Sheep losses are being reported in the western range States but the extent to which those losses will affect the size of the spring clip is not yet known.

COTTON

Domestic exports of raw cotton during January were about 387,000 bales above January 1931 and were the largest for that month since 1927. Consumption by domestic mills, on the other hand, was smaller than in January last year and showed less than the usual seasonal advance. Sales of domestic cotton cloth in January were the largest since September 1928 and shipments were the largest since February 1930, and although production was the largest for 21 months, stocks decreased and unfilled orders increased. In European markets conditions during the past month remained at about the same low levels while in the Orient larger amounts of American cotton are being consumed. Mill consumption in India continues at rather

high levels which together with the short crop has greatly reduced the exportable surplus of Indian cotton. The effect of these and other developments during the past month resulted in unusually stable domestic prices. The price of Middling 7/8 inch at 10 spot markets averaged 6.3 cents per pound on February 11, 0.19 cents above January 11. American cotton is cheaper compared with Indian cotton than it has been since the war, the average price of American middling and low middling at Liverpool being only 4 per cent higher than the average price of three Indian cottons in January.

During January domestic exports of raw cotton, excluding linter, amounted to 919,000 running bales a decrease of 262,000 bales from December, compares with 533,000 bales exported in January 1931 and were the largest for the month of January since 1927, according to reports of the Bureau of the Census. France was the only important consuming country which did not take more American cotton in January this year than in January 1931. For the first half of the season exports totaled 4,954,000 bales which is 475,000 bales or 11 per cent above the first six months of 1930-31 and 63,000 bales above the same period in 1929-30. Exports of cotton from India for the first half of the season, however, were only about 50 per cent as large as in the corresponding period of 1930-31.

Domestic cotton consumption in January although above December increased less than usual. Total consumption in January amounted to 436,000 running bales compared with 416,000 bales in December and 450,000 bales in January 1931. The increase of 4.8 per cent from December to January this season compares with an average increase of 14.0 per cent during the past five seasons. The total consumption for the first half of the season amounted to 2,631,000 bales, 171,000 bales or 7.0 per cent above the 1930-31 period but 20.6 per cent below consumption from August to January 1929-30.

Sales of domestic standard cotton cloth during January averaged 58.7 million yards per week which was the largest average since September 1929 and shipments were the largest since February 1930, according to reports from the Association of Cotton Textile Merchants of New York. The rate of production was also the highest for almost two years but despite this sales and shipments were sufficient to reduce stocks during the month by 12.5 per cent and to increase unfilled orders by 21.5 per cent.

The decrease in the apparent supply of American cotton remaining in the United States from January 1 to February 1 this season, amounted to 1,345,000 bales compared with a decrease of 969,000 bales during the same period last season, but on February 1 this year the apparent supply in the United States amounted to 15.7 million bales compared with 11.7 million bales a year earlier.

Compared with the corresponding month last season exports of cotton piece goods from Great Britain showed a steady improvement each month this season until exports in December exceeded those of December 1930 by more than 15 per cent. This was the first month since July 1929 in which total exports to all countries exceeded those of a year earlier. The relative improvement in the British piece goods export situation is due largely to increased exports to India. In each of the three months, October to December, exports to India

have been above the same month the previous year and in December were more than 39 per cent greater than in December 1930. In addition there has been some increase in the amount going to China probably as a result of the Chinese boycott of Japanese goods, but in early February the crisis at Shanghai was said to have decidedly affected the shipment of goods to China. British home trade was more optomistic in late January although the threatened strike in the Burnley area is a distributing factor in the situation.

While textile mill activity in Continental Europe remains at low levels it is reported that the industry as a whole is in a fairly satisfactory statistical position in regard to stocks of goods on hand. The French industry is the only outstanding exception. Mill consumption in Japan and China continue at higher levels than a year ago and a much larger proportion of American cotton is being used. In Japan, exports of cotton textiles have declined but spinning mill activity has been maintained.

Reports from foreign countries on the outturn of the present crop now indicate that the production in foreign countries will likely be 1,200,000 bales smaller than in 1930-31. With the size of the present crop fairly well determined and with planting of the new crop soon to begin, considerable attention is now being given to the prospects for the 1932 crop. State laws to restrict cotton acreage in 1932 were passed by Louisiana, Texas, South Carolina, Mississippi and Arkansas. In most States the laws were contingent upon a similar law being enacted by States representing 75 per cent of the 1931 acreage which has automatically nullified these laws. In Texas the law has been held unconstitutional by one of the district courts.

Sales of fertilizer tags in the 8 most important cotton producing States, excluding Oklahoma, were only 41.8 per cent as large as in January 1931 and for the two months, December and January, tag sales in these States were 44.5 per cent of those during the same period in 1930-31. Compared with 1930-31 tag sales for the two months ranged from 17.4 per cent for Georgia to 63.4 per cent for South Carolina.

Business Statistics Relating to Domestic Demand

Year and mo.	Industrial production 1/ (1) 1923-1925 =100	(2) Trend = 100	(3) June 1929 =100	Factory payrolls 2/	Factory employment 2/	Commodity: At farms 3/	U.S. Wholesale 4/ 1910-1914 =100	U.S. Wholesale 4/ 1926 =100	Foreign 5/	Interest rates 6/	Industrial stock prices 7/
1929											
June	126	113	100	110	102	135	139	95	94	6.00	315
July	124	111	98	109	102	140	141	96	94	6.00	344
Aug.	123	110	97	110	102	143	141	96	93	6.03	361
Sept.	122	109	96	110	101	141	140	96	94	6.12	365
Oct.	118	105	93	106	100	140	139	95	94	6.09	321
Nov.	108	96	85	101	98	136	136	94	92	5.55	233
Dec.	101	90	79	98	95	135	136	93	91	5.00	247
1930											
Jan.	104	92	81	97	94	134	135	92	90	4.89	252
Feb.	107	94	83	95	93	131	133	91	88	4.65	268
Mar.	104	92	81	94	92	126	132	90	86	4.18	277
Apr.	107	94	83	95	92	127	131	90	86	3.88	288
May	104	91	80	93	91	124	130	89	84	3.69	269
June	100	88	77	91	89	123	127	87	84	3.54	239
July	95	83	73	85	86	111	123	84	83	3.16	232
Aug.	91	79	70	82	85	108	123	84	83	3.00	231
Sept	91	79	70	83	84	111	123	84	81	3.00	232
Oct.	87	76	67	78	83	106	121	83	80	3.00	196
Nov.	85	74	65	74	81	103	119	81	79	2.90	182
Dec.	82	71	62	73	79	97	116	80	78	2.88	170
1931											
Jan.	83	72	63	70	78	94	114	78	76	2.80	168
Feb.	86	74	65	72	77	90	112	77	76	2.62	181
Mar.	88	76	67	72	78	91	111	76	76	2.55	182
Apr.	90	77	68	72	78	91	109	75	76	2.38	162
May	89	76	67	71	78	86	107	73	74	2.20	143
June	84	72	63	68	76	80	105	72	74	2.02	138
July	83	71	62	67	75	79	105	72	74	2.00	143
Aug.	79	67	59	64	74	75	105	72	72	1.96	139
Sept.	76	64	57	62	73	72	104	71	71	2.00	119
Oct.	73	62	55	58	70	68	103	70	72	2.98	102
Nov.	72	61	54	56	68	71	102	70	72	3.75	104
Dec.	71	60	53	55	68	66	100	69	72	3.75	81
1932											
Jan.						63					79

1/ Federal Reserve Board, 1923-1925 = 100. (1) adjusted for seasonal.
(2) adjusted for seasonal and trend.
(3) per cent of peak in June, 1929.

2/ Federal Reserve Board, 1923-1925 = 100, adjusted for seasonal.

3/ U.S.D.A., August 1909 - July 1914 = 100.

4/ Bureau of Labor Statistics. (new index of 784 commodities)

5/ Weighted average of indexes for eight foreign countries - United Kingdom, Canada, Japan, France, Italy, Germany, China and the Netherlands, 1926 = 100.

6/ Commercial paper at New York, adjusted for seasonal.

7/ Dow-Jones index is based on daily average closing price of thirty stocks.

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UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics
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THE PRICE SITUATION, MARCH 1932

FARM PRICES

The general level of prices received by farmers registered a new low on February 15 at 60 per cent of the pre-war average. This represents a decline of 5 per cent since January 15, 33 per cent since February a year ago, and 55 per cent since January 1929. Since February 15 the average of prices of farm products has not changed materially.

The decline in the farm price index from 63 on January 15 to 60 on February 15 was due chiefly to lower prices received for eggs, chickens, butter, hogs, cattle, and potatoes which were partly offset by somewhat higher prices of cotton, wool, sheep and lambs. Cotton prices were 47 per cent of their pre-war average on February 15 compared with 45 per cent on January 15; grains at 51 per cent were 1 point lower than on January 15; meat animals, at 65 were 3 points lower; fruits and vegetables at 68, were 2 points lower; dairy products at 77, were 8 points lower; and poultry products, at 70, were 17 points lower. Since the middle of February, cotton prices have made further moderate gains, hogs have advanced sharply, but grains have lost some of their recent advances and cattle, butter and eggs have continued to decline to the end of February with some gains during early March. The Annalist index of farm product prices at wholesale was 1 per cent lower on March 1 than on February 16 and food products nearly 2 per cent lower.

The exchange value of the farmers' products for commodities usually purchased for farm and farm home use is now about 44 per cent lower than in 1929 and about half of what it was before the war.

GENERAL COMMODITY PRICE LEVEL

Wholesale commodity prices during February and early March were fairly steady at slightly below the low level reached at the end of January. According to the indexes of the Bureau of Labor Statistics, commodity prices were 99.7 per cent of their pre-war average on January 2, 97.4 per cent on February 2 and remained at 96.8 per cent for the balance of the month. None of the groups of commodity prices included in the Bureau of Labor Statistics index showed any significant changes during the latter half of February.

Although the average of all groups of commodity prices was about 3 per cent below 1910-1914, there were rather wide differences among the several groups. Farm products are now about 72 per cent of pre-war, chemicals, drugs, and metals about 94 per cent, foods 98 per cent, textiles 106 per cent, fuel and lighting and building materials about 130 per cent, and house furnishing goods 144 per cent; the latter being relatively twice as high as farm products. The group of miscellaneous items at 59 per cent of pre-war is even lower

than farm products due largely to the low prices of rubber.

The commodity price level in England has remained practically unchanged during January and February at a slightly higher level than that which prevailed just before the value of British exchange was lowered in September. According to Crump's weekly index, which reached the low point during the third week of September, prices in inflated currency values advanced 14 per cent by the end of November, then lost some of this gain by the second week of February. During the last week of February it averaged 8 per cent above the September low point.

BUSINESS CONDITIONS

Business activity in general during February was at the lowest level so far in this depression and contributed greatly to the continued low farm prices and farm incomes. The outstanding event of the past month was the passage of the Glass-Steagall bill making certain changes in the Federal Reserve Act intended to strengthen banking conditions and eventually to improve business conditions. While business activity in general has not improved as yet there appears to be an improvement in business sentiment, based probably on such evidences as a fairly well sustained advance in bond prices and also industrial stock prices during the last half of February and first half of March, loans made by the Reconstruction Finance Corporation to railroads and other industries, and a great reduction in the number of bank failures accompanied by some reduction in the hoarding of money.

The volume of industrial output in January, the latest month for which Federal Reserve Board data are available, averaged 70 per cent of the 1923-1925 level compared with 71 in December and 83 a year earlier. Another slight reduction probably took place during February, as is suggested by a somewhat lower level of automobile production in February compared with that of January, and also somewhat lower levels of activity in railroad freight loadings, steel mill activity, and electric power production. The production of cotton cloth was higher during February than during January. Total building activity remained during February at the very low level of January, with a sharp increase in contracts awarded for public works and utilities, and no seasonal improvement in residential construction. Factory employment in January was 67 per cent of the 1923-1925 average compared with 68 in December and factory pay rolls were 54 per cent compared with 55 in December.

Bank credit was further reduced during February. Total loans and investments of reporting member banks declined from about 20 billion dollars on February 3 to 19.5 billion on March 2 compared with 22.6 on March 4, 1931. To the decline during February loans on securities contributed about 150 million, loans for commercial purposes 100 million, and loans on investments 200 million dollars. The loans extended by the Reconstruction Finance Corporation have partly offset the reduced volume of bank credit.

The recent declines in total industrial activity of about 1 per cent per month are smaller than the rate of decline during most of 1930 and 1931.

WHEAT

Cash wheat prices in the United States averaged about the same in February as in January despite slightly higher averages for futures. In the United States prices of futures have been fairly steady since mid-February; the advance which took place from early January to mid-February having been held through the first week of March. At Liverpool, most of the rise was during the first half of February and there has been little net change since then. As the rise of prices at Liverpool during February was more than at Chicago, Liverpool prices (in terms of United States currency) have recently been but little lower than Chicago prices.

The United States farm price as of February 15 showed very little change, being 44.0 cents per bushel compared with 44.1 cents for each of the two preceding months, and 58.7 cents for February of last year. The weighted average price of all classes and grades at the 6 principal markets was somewhat lower for February than for January, being 59.0 cents per bushel, compared with 61.3 cents for the preceding month. This reduction in the average price at the principal markets, however, was due largely to changes in the proportion of the kinds of wheat sold, since there was not a general decline of the representative wheats. At Minneapolis, there were small declines in both No. 1 Dark Northern Spring and No. 2 Amber Durum, the former declining from 77.0 cents in January to 76.6 in February, whereas the latter declined from 86.9 to 85.9 cents per bushel. At Kansas City, No. 2 Hard Winter rose from 52.6 cents to 53.8 cents, and No. 2 Red Winter at St. Louis from 56.6 to 57.5 cents per bushel. During the first week of March prices of each of the above mentioned representative wheats were slightly lower than the February average, No. 2 Hard Winter at Kansas City averaging 52.4 cents compared with an average of 54.8 cents for the week ended February 26 and 53.8 cents per bushel for the month of February.

Stocks of wheat on farms as of March 1 are estimated at 207 million bushels this year as compared with 161 million a year ago, 129 million in 1930, and an average of 125 million for the five years 1925 to 1929 inclusive. The heavy stocks are confined to the winter wheat regions, very small supplies being held in Minnesota, the Dakotas, and Montana, which are the principal hard red spring and durum producing States. In these States stocks are estimated to have been 15 million bushels, compared with 46 million last year, 41 million in 1930, and an average of 45 million bushels for the five years 1925 to 1929. In the 6 principal hard winter producing States (Kansas, Nebraska, Oklahoma, Texas, Colorado and New Mexico), on the other hand, March 1 farm stocks are estimated to be 99 million bushels compared with 55 million last year, and the 5-year average of 33 million bushels. Farm stocks in 12 important soft winter wheat producing States (New York, Pennsylvania, Maryland, Virginia, Ohio, Kentucky, Tennessee, Michigan, Indiana, Illinois, Iowa and Missouri) are also at a relatively high level, amounting to 74 million bushels this year compared with 35 million a year ago, and the 5-year average of 30 million bushels.

It is reported that only 56.0 per cent of the 1931 wheat crop has been or is to be shipped out of the county where grown compared with 60.4 per cent last year, and the 5-year average of 72.2 per cent. This lower percentage which it is estimated has been or is to be shipped out of the county where grown, presumably reflects principally a larger amount of feeding of wheat than usual, though in part it may also be due to unusually large local grindings. Both of these are the natural result of extremely low prices in the producing regions. Larger than average feeding and local milling may be expected to result in larger stocks being retained on farms for these purposes, hence they probably account in part for the increase in March 1 stocks on farms.

Argentina, Australia and Canada continue to be the principal sources of current supplies for the importing countries of the world. Shipments from Argentina in recent weeks have been averaging in the vicinity of 4 to 5 million bushels weekly, while those from Australia have been in the vicinity of 5 million bushels. Shipments from North America have averaged a little over 5 million bushels weekly, but the United States has contributed only a small part of these. Total shipments from all the principal exporting countries have recently averaged a little more than 15 million bushels weekly which is somewhat below the levels to which they rose following the beginning of the Southern Hemisphere movement. This recent decline in the level of shipments has been accompanied by a general strengthening of wheat prices in world markets.

European wheat markets showed a distinctly firmer tendency during February and the rapid depletion of domestic stocks on the Continent of Europe is reported to have been responsible for the substantial reduction in Italian, and French milling quotas. Further modification of the import barriers of the Continental European countries would contribute toward increasing imports by these countries.

Thus far this year total shipments of wheat from the principal exporting countries have followed a course quite similar to that of 1930-31, and have been at about the same levels. This year, for the season to March 4, they have amounted to 503 million bushels compared with 492 million during the corresponding period of 1930-31. Shipments to Europe have been somewhat below last year's level, but shipments to non-European countries have been larger. The level of shipments to both Europe and non-European countries has been much higher than it was in 1929-30.

The calculated surplus of wheat available as of March 1 for export or carry-over in the 4 principal exporting countries, plus quantities afloat and United Kingdom port stocks, amounted to about 925 million bushels this year compared with 930 million a year earlier, and 765 million as of March 1, 1930. Hence, it is apparent that the supply situation, as well as import takings, is much more similar to that of last year than to that of 1929-30. Supplies of wheat this year, however, are much more heavily concentrated in the United States than they were last year. Port stocks and quantities afloat

as of March 1 were about the same as the year previous, but estimated surpluses of Canadian, Argentine and Australian wheat were considerably smaller than a year earlier, while supplies of United States grain were considerably larger.

CORN

Cash corn prices declined somewhat during February under the influence of increased receipts and the continued poor demand. Receipts during February, nevertheless, were very small compared with recent years, being less than half the average of the preceding five years. Farm stocks of corn, while much larger than last year, are only about average for the country as a whole. They are much below average in the western part of the Corn Belt, but larger than average east of the Mississippi.

The United States average farm price as of February 15 was 32.4 cents per bushel compared with 33.7 cents a month previous, small declines being general throughout the country. The decline of the monthly average market prices was somewhat greater, the February average of all classes and grades at the principal markets being 34.2 cents per bushel compared with 37.0 cents for January. The average price of No. 3 Yellow at Chicago was also 34.2 cents for February and 37.0 cents for January. For the week ended March 4, No. 3 Yellow at Chicago averaged 33.0 cents per bushel, a new low weekly average for the current season. The February average of 34.2 cents per bushel for No. 3 Yellow at Chicago is the lowest monthly average price since February, 1900, when it was 32 cents per bushel and compares with the lowest monthly average during the depression of 1920-21 of 45 cents per bushel in October of 1921.

Receipts of corn at the 14 principal markets increased to 14.1 million bushels in February from a level of 9.8 million in the previous month. Compared with previous years, however, receipts during February were very small as they amounted to only 21.2 million in February, 1931, and an average of 30.6 million for the five Februarys of 1927 to 1931 inclusive. With larger marketings, commercial stocks of corn increased from 15.1 million bushels for the week ended February 6 to 20.8 million for the week ended March 5. On the latter date, commercial stocks were nearly as large as on the corresponding date of the previous year when they amounted to 21.5 million bushels, but were considerably smaller than the average for the five years 1927 to 1931, which is 36.0 million bushels. Total receipts for the four months November to February have amounted to 47.0 million bushels compared with 85.5 million last season and an average of 114.1 million bushels for the five years 1926-27 to 1930-31.

Estimated stocks of corn remaining on farms as of March 1 were much larger than last year, but were only about average. They amounted this year to 1,103,000,000 bushels compared with 704,000,000 last year, and an average of 1,051,000,000 for the five years 1925 to 1929, and 1,142,000,000 for the ten years 1920 to 1929 inclusive. In a general way stocks of corn east of the Mississippi are larger than the 5-year average, whereas west of the Mississippi they are smaller. Illinois, Indiana, Ohio and Pennsylvania are the outstanding corn growing States where stocks are markedly larger than the 5-year average, whereas in Iowa, Nebraska, South Dakota, Minnesota and Kansas they are smaller than the 5-year average. Smallness of stocks in South Dakota is particularly notable, total farm stocks for the State being estimated at 1,258,000 bushels this year compared with 20,584,000 bushels last year and 27,243,000 bushels for the five years 1925 to 1929.

Low prices of dairy products and meat animals continue to restrict feeding demand by those who must buy corn for feed. However, cold weather during early March throughout much of the feeding area has increased the amount of corn needed. It appears that in regions where corn is scarce for hog-feeding there is a tendency to dispose of hogs rather than to purchase feed for them. Nevertheless, for the country as a whole larger numbers of hogs on farms are no doubt tneding to increase the amount of corn fed over last year. The larger numbers of cattle and sheep are also having a similar effect.

TOBACCO

Prices for all types of American grown tobacco during February continued to show the weakness that has characterized them throughout the present marketing season.

The flue-cured season closed with prices averaging about 30 per cent below the low prices of 1930-31 and at the lowest level on record. Production was reduced about 20 per cent in 1931 and total supply for the year was approximately 8 per cent less, but weakened demand more than offset the effect of a smaller supply. Exports, which usually amount to between half and two-thirds of the annual production, have been materially below normal and for the seven months ended January 1932 amounted to only 216,000,000 pounds. This was 23 per cent less than the quantity exported during the same period in 1930-31 and 13 per cent less than the 5-year average, 1925-26 to 1929-30. All important countries reduced their imports, but imports by China were reduced less than by other countries.

Prices for burley tobacco broke sharply during February and declined to unprecedented low levels as the end of the season approached. The average for the month on all auction floor markets in Kentucky was only 6.3 cents per pound as compared with 9.3 cents for February 1931 and 9.0 cents for December and January, 1931-32. The prices for the 1931 crop followed much the same course as those for the 1930 crop, by declining at the end of the season. Production in excess of consumption, and the withdrawal of important buyers after requirements had been filled appears to have been the reason in both cases. Since the use of burley is almost wholly confined to the United States, this indicates the unwillingness of domestic manufacturers to add further to their stocks of this type of leaf.

Prices for the fire-cured and dark air-cured types have been relatively lower throughout the entire season than prices for other types. Being largely exported, these types are influenced by conditions similar to those which have affected flue-cured tobacco and from a long-time viewpoint are faced with declining consumption as well as increased foreign production. Season average price to March 1, in cents per pound, by types, compared with the final season average for 1930-31, were as follows:

Virginia fire-cured, 5.0 and 8.3; Clarksville and Hopkinsville fire-cured (Ky), 5.2 and 7.5; Paducah fire-cured (Ky), 3.3 and 5.3; Henderson fire-cured, 3.1 and 6.9; One sucker (Ky), 3.2 and 7.0; Green River, 3.3 and 8.9; Virginia sun-cured, 5.8 and 7.7. No comparable data are available for any of the cigar types.

The consumption of tobacco products has shown no material change during recent months. It is well below normal, however, both in this country and Europe. Apparently the depressed business situation is largely responsible for the low level of consumption and a shift to lower priced tobacco products.

POTATOES

The farm price of potatoes at 44.8 cents per bushel on February 15 was 2.3 cents lower than on January 15 and 42 cents lower than prices of a year ago. Since February 15 shipping point prices continued to decline through the first week of March. New potatoes from Florida sold on the New York market on March 2 for $3.18 per 100 pounds or about one dollar less than a year ago, but declined to about $2.30 a week later. This seasons low prices of new potatoes is due very largely to competition from low prices that prevail in the Northern markets for old crop potatoes and partly to larger shipments than last years.

Except for a slight temporary advance in prices during the first part of February the trend of potato prices has been downward so far this year. At Idaho Falls f.o.b. prices of U. S. No. 1 potatoes declined from 75 cents per 10[illegible] pounds about the first of January to 50 cents on March 8. During this same interval prices at Waupaca, Wisconsin declined from 63 to 52 cents; and at Roches ter, New York, from 73 to 63 cents. At Presque Isle, Maine the decline was fro 53 to 38 cents by the end of February followed by a slight rise to 40 cents on March 8. This downward trend in prices has been accompanied by increased shipments. During January shipments amounted to 17,400 cars and during February 18,400. A year ago shipments were nearly 1,000 cars lower during February than during January and similarly two years earlier they were 500 cars lower. So far this season total carlot shipments have amounted to 188,000 cars or 22,000 cars less than at this time last season. While this reduction in rail shipments has been partly offset by larger non-rail shipments, the amount of this season's crop sold so far has been relatively small due to the unsatisfactory price situation.

Shipments of new potatoes from Florida, through March 5 amounted to 382 cars compared with 158 cars for the corresponding period last year.

RICE

Rice prices in California and in the Southern Belt declined during February. Fancy Blue Rose at New Orleans was quoted at $2.50 to $2.62½ per 100

pounds on March 1 as compared with \$2.75 to \$2.87$\frac{1}{2}$ on February 1. Blue Rose rough at Louisiana mills was quoted at \$2.00 to \$2.25 per barrel on March 1 compared with \$2.15 to \$2.40 a month earlier. Fancy California-Japan at San Francisco was selling at \$2.70 to \$2.75 per 100 pounds on March 8 which was the lowest price on record. No. 1 Brown was quoted at \$2.41 per 100 pounds on March 1 and \$2.52 on February 1.

Southern Belt

Stocks of rough and milled rice in millers' hands on March 1 were reported to be the equivalent of 182,171,000 pounds of milled or 1,821,000 barrels of rough rice as compared with 175,100,000 pounds of milled or 1,751,000 barrels of rough a year earlier. Stocks in growers' hands on March 1 were reported to be somewhat heavier than their holdings of a year earlier.

The movement of rough rice from farms to mills was 734,000 barrels during February as compared to 569,000 during January and 864,000 barrels for February, 1931. The February movement of milled rice was less than during February, 1931. Shipments of milled rice into consuming channels during February were reported to be 83,000,000 pounds compared with 92,600,000 pounds during February, 1931. The small movement of Southern milled rice can be accounted for in large part by the relatively low shipments to Porto Rico since December and low exports during the three months, December to February. Shipments to Porto Rico for the crop year through February totaled about 118,000,000 pounds as compared with 137,000,000 pounds for the corresponding period last year. Of the total shipments to Porto Rico this year, California has contributed 12,952,000 pounds compared with 15,398,000 pounds for the corresponding period last year. Exports through Southern ports at the same time were 104,000,000 this year compared with 137,000,000 last year. Exports to South American markets continue to be almost negligible.

California

Trade estimates of stocks of rough rice remaining in growers' hands in California on March 1, were 2,250,000 bags as compared with 1,500,000 a year earlier. Purchases of Southern rice in California during the current crop year have been somewhat larger than during the corresponding period last year. The movement of California rice into consuming channels was below average during February. Shipments to Hawaii during February totaled about 6,000,000 pounds, which was about 1,000,000 pounds under the movement to that market during February, 1931. The movement to Hawaii for the crop year to March 1 was about 45,000,000 pounds compared with 51,000,000 for the corresponding period last year. Exports of California rice to March 1 were materially below those for the corresponding period last year.

Japan has been in the market for California rice screenings but has bought practically no head rice from California during the current crop year. Tokio prices in terms of Japanese currency have advanced during the last few weeks, but owing to the decline in the gold value of the Yen, Tokio prices in terms of United States currency have continued low. On February 12 the price (in gold) of middle quality brown rice at Tokio was \$2.48 per 100 pounds; whereas, the price of No. 1 Brown at San Francisco was \$2.52. The spread between Tokio and San Francisco prices continues to hinder the export of California rice.

HOGS

Hog prices fluctuated in a narrow range throughout February and were not greatly different from those of January. The lowest prices of the winter were reached during the second week in February when the weekly average at Chicago was only $3.81. The average for the month at that market was $3.89 compared with $4.00 in January and $4.20 in December. Prices improved slightly during the last two weeks of February and rose more sharply during the first half of March. In the second week of March they were back to the levels of early November 1931, with the top at Chicago at $5.10 and the weekly average at $4.54. The rise in prices was largely in response to a seasonal reduction in hog marketings and in part reflect the influence of sharply lower temperatures throughout much of the country during the second week in March which tended to stimulate the demand for pork.

Hog slaughter at 9 important centers during the first two weeks of March was 27 per cent less than in the last two weeks of February but was 9 per cent larger than in the corresponding weeks of March last year. Total slaughter under Federal inspection during February of 4,590,000 head was the third largest on record for that month and was 11 per cent greater than in February 1931. The reduction in slaughter supplies from January to February was the smallest since 1918. A portion of the increased slaughter in February over February last year was due to the fact that the month had one more slaughter day this year than last. The slaughter per market day, however, was 6 per cent larger than in February 1931. There has been a tendency to market hogs earlier than usual in the extreme Northwestern Corn Belt because of feed scarcity and financial necessity. The hog-corn ratio in that area has been unfavorable for hog feeding throughout the winter and this was reflected in the very large marketings of pigs and lightweight hogs and some liquidation of bred sows in that territory.

In many sections of the Corn Belt, hogs were held on farms during January because unfavorable road and weather conditions made it almost impossible to transport them to market. Road conditions improved slightly during February, and a considerable number of the hogs held back in January were marketed although many roads at the beginning of March were still unusable, even for wagons.

Prices of most pork products were fairly steady during February with some tendency to advance slightly during the latter part of the month. The composite wholesale price of pork products in New York averaged $11.92 per 100 pounds for the month as compared with $12.26 in January and $18.08 in February 1931.

Although storage holdings of all hog products increased during February, the increase was relatively less than the increase in hog slaughter, indicating a relatively large movement into consumptive channels. Stocks of pork on March 1 amounting to 807 million pounds were 133 million pounds or 20 per cent larger than those of February 1 but they were 5 per cent smaller than the stocks on March 1 last year and about 3 per cent smaller than the 5-year March 1 average. The increase in lard stocks was relatively heavy despite a fairly heavy export movement. The total of 93 million pounds on March 1 was 19 million larger than on February 1 and 25 per cent larger than on March 1 last year.

It now appears likely that the total slaughter for March will be larger than that of March last year, which was below average. The month has one more slaughter day than it did last year when there were five Sundays instead of four. Reports from the Western Corn Belt indicate that there are considerable numbers of hogs from last spring's pig crop yet to be marketed. Some have been held on farms because of unfavorable road conditions while others have been held back in anticipation of selling at a better market.

The seasonal low point in hog marketings which comes each spring before hogs from the pig crop of the previous fall begin to move in volume, usually occurs the latter part of March or early April. Following this low point, supplies increase until early June as fall pigs reach desirable market weights. Since the December 1931 pig survey indicated an increase of almost 20 per cent in the 1931 fall pig crop, market supplies of hogs during the spring and summer are expected to be considerably larger than in those seasons last year when they were much below average. Supplies of pork in storage for the summer trade may be smaller than last year and there are indications that the market supply of slaughter steers in the late spring and early summer will be smaller than a year earlier, all of which should tend to strengthen the demand for hogs.

CATTLE

The movement of cattle prices in February followed the usual seasonal trend. The better grades of slaughter steers declined and the lower grades strengthened somewhat with a narrowing of the spread between choice steers and common steers. The spread between the average weekly price of these grades at Chicago at the end of February was $3.12, compared with $5.27 at the end of January and $6.03 at the end of December. While the average price of all grades of beef steers did not change much from week to week in February, the monthly average of $6.21 was the lowest since 1911.

Prices of cows and heifers made some recovery from the very low point reached the latter part of January, but bull prices continued to weaken. Stocker and feeder cattle showed some tendency to advance. Veal calf prices declined rather sharply, reaching a level as low as the low point of last November.

Slaughter of cattle during February was fairly large. While receipts at 7 leading markets were about the same as in February 1931; inspected slaughter was the largest for the month in four years, being 4 per cent larger than February last year but 5 per cent smaller than the 5-year average. Supplies of beef steers at Chicago were about 10 per cent larger than in February last year, the increase being due to the much larger number of common steers, with the number of good and choice about 10 per cent smaller and the number of medium about the same as last year.

Offsetting the relatively large supply of lower grade steers has been the very small supply of cows and heifers. While the slaughter of steers in January was the second largest for the month in ten years, cow and heifer slaughter was the smallest for the month in ten years and close to the smallest for all months in ten years. Available evidence indicates there was a continuation of this high percentage of steers and low percentage of female slaughter during February. Apparently it was the small supply of slaughter cows, which compete directly with low grade steers in the beef market, that made possible the advance in the price of such steers in February in face of large supplies.

Calf slaughter in February was 2 per cent larger than in February, 1931 and 3 per cent larger than the 5-year February average. With the large number of cows and heifers in milk-cow herds and the low values of milk cows, it seems likely that calf slaughter during the next few months will continue to show increased volume, in spite of the present low level of veal calf prices.

Shipments of unfinished cattle from markets for feeding and grazing purposes was in very small volume in January and February; such shipments from 12 markets into the Corn Belt States for the two months being only about 50 per cent of last year and much the smallest for these months in at least 12 years.

The heavy marketings of steers and the light purchases of stockers and feeders in January and February doubtless relfect the lack of confidence on the part of feeders in the future of the fat cattle market and the financial handicaps under which feeders are operating at the present time. Financial conditions seem to be affecting the feeding situation in several ways: by restricting further advances for purchase of feed to carry cattle longer, by forcing cattle to market to secure funds to liquidate loans already made or to meet other obligations, and by making it difficult to secure loans for purchase of feeder cattle.

With fewer cattle on feed for market in the Corn Belt States January 1 this year than last, with larger marketings of cattle from feed lots since that date this year than last, and with fewer unfinished cattle going back to the country than last year, it now seems that we may expect a considerable reduction in the supply of fed cattle from these States during the next six months compared with a year earlier. To some extent this reduction in Corn Belt supplies will be offset by increased numbers of cake finished and grass fattened cattle from Texas.

BUTTER

Production of creamery butter in January was the highest on record for that month, even though there was not the usual seasonal increase in production from December to January. The movement of butter into consumptive channels during January was less than a year ago. Butter prices during February were steady but averaged nearly a cent lower than the previous low point in June, 1931. Foreign butter production continues heavy but the margin between foreign and domestic prices has been decidedly less than the tariff rate and imports of butter during January were only about 113,000 pounds.

The production of creamery butter in January of 119.3 million pounds was 2.8 per cent greater than in January 1931, but 1.4 per cent less than the unusual heavy production in December. This was the first time since the winter of 1917-18 that production declined from December to January. January production usually exceeds December by about 10 per cent. The index number of creamery butter production (1925-1929 = 100 adjusted for seasonal variation) declined from 134 in December to 120 in January. The index of production of the principal manufactured dairy products was 118 in January compared with 131 in December and 117 in January 1931. Creamery butter production in January compared with a year earlier was lower in the North and South Atlantic and Pacific Coast States, but was larger in the North and South Central States and Mountain States.

Weekly reports of butter production during February indicated higher production than last year in the Middle West, but lower than a year ago on the Pacific Coast.

Milk production per cow on March 1 (as reported by crop correspondents) of 13.45 pounds, was 2.2 per cent lower than a year earlier and the lowest for March 1 since 1928. The number of milk cows on farms March 1 was about 3.5 per cent larger than on March 1, 1931. The percentage of cows milked on March 1 was 68.1 per cent, which was unusually high, and compared with 66.2 per cent a year earlier and the 5-year average (1925-1929) of 65.0 per cent. Crop correspondents reported feeding 5.6 pounds of grain per cow on February 1, or about 5 per cent less than a year earlier.

The price of 92-score butter at New York during February averaged 22.5 cents compared with 23.6 cents in January and 28.4 cents a year ago. At 22.5 cents the price was 0.8 of a cent below the low point of last June. The farm price of butterfat on February 15 of 19.8 cents was 3.0 cents lower than on January 15 and 5.2 cents less than a year ago. The index number of the farm price of butterfat (1910-1914 = 100 adjusted for seasonal variation) on February 15 was 74 compared with 60 for all farm products and 54 for the farm price of feed grains.

Trade output of butter during January of 123.4 million pounds was 6.5 per cent less than in January 1931. This decline in trade output was due to a decrease in the out-of-storage movement. In January 1931 there was an effort to move the large storage stocks into consumptive channels. In January 1932 stocks were relatively light and the out-of-storage movement was only 4 million pounds compared with 17 million in January 1931.

Cold storage holdings of butter on March 1 of 15.1 million pounds compared with 30.7 million pounds a year ago and the 5-year March 1 average of 22.3 million pounds.

Foreign butter production continues heavy. Total imports into Great Britain and Germany during 1931 were about 6.5 per cent larger than in 1930, with imports during November and December being more than 10 per cent larger than a year earlier. From August 1, 1931 to the middle of January 1932, receipts of butter into grading stores in New Zealand and Australia were 8 and 39 per cent larger respectively than during the same period a year earlier.

From the middle of January to about the middle of February foreign butter prices rose slightly, but prices declined during the latter part of February and early March. The Copenhagen official Quotation declined more than Danish butter in London, this may have been due to the fact that the English tariff imposes a 10 per cent duty on Danish butter.

CHEESE

Cheese production in January 1932 was less than in January 1931, even though total production of manufactured dairy products was somewhat larger. Cheese prices reached a new low level in February. The movement of cheese into consumptive channels in January was relatively small even though retail prices were decidedly lower. Imports of cheese are less than a year ago.

Cheese production in January of 26.9 million pounds was 7.9 per cent less than a year ago but about one-half per cent more than in December. January production usually exceeds December by about 5 per cent. The index number of cheese production (adjusted for seasonal variation 1925-1929=100) declined from 116 in December to 111 in January. Compared with a year ago, production in the North Atlantic States was down about 45 per cent and in Wisconsin, about 4 per cent, while in the South Central States production was nearly 10 per cent larger than a year ago.

The ruling price of cheese (twins) on the Wisconsin Cheese Exchange averaged 10.1 cents per pound during February compared with 10.9 cents in January and 15.4 cents a year ago. The ruling price for February was the lowest for any month since June 1905. February index numbers of the farm price of butterfat, and the price of cheese were 68 and 74 respectively.

Trade output of cheese during January of 38.0 million pounds was 11.0 per cent less than a year earlier, compared with 9.4 per cent less in December. The retail price of cheese in January of 25.5 cents, was 20 per cent less than in January 1931 and the lowest retail price since August 1916. The decrease in retail prices and the 11 per cent decrease in trade output indicate that consumers spent about 30 per cent less money for cheese in January 1932 than in January 1931.

Cold storage holdings of American cheese on March 1 were 41.7 million pounds compared with 48.0 million pounds a year ago, and the 5-year average of 44.3 million pounds. The net out-of-storage movement from November 1 to March 1 has been relatively light, 22.3 pounds compared with 31.0 million last year and the 5-year average of about 30.0 million pounds.

Imports of cheese during January of 3.7 million pounds were about 10 per cent less than in January 1931. Prices of cheese in London (on a gold basis) during February averaged somewhat higher than in January. On March 3 the price of single daisies in New York was 1.7 cents higher than Canadian cheese (white) in London and 3.3 cents higher than New Zealand cheese (white) in London. On January 7, 1932, the corresponding margins were 3.5 cents and 5.1 cents, respectively.

EGGS

Egg prices as usual continued to decline during February and early March, with a seasonal increase in receipts. Though receipts were below those of the preceding February, storage stocks on March 1 were relatively large compared to other years, indicating that, at the prevailing prices, the supply was more than could readily be disposed of for current consumption. This indication is supported by the lower apparent consumption for February as compared to the year before.

The price of special packed mixed colors (corresponding to the former grade of extras) at New York averaged 19.4 cents during February compared to 21.3 cents in January and 19.4 cents a year ago. The farm price of eggs on February 15 was 12.8 cents as compared to 17.2 in January and 14.1 cents a year ago. Prices of special packed eggs fell to 16-3/4 cents on March 7.

Receipts of eggs at 4 markets during February were about 15 per cent less than a year ago, being 1,021,000 cases and 1,199,000 cases respectively. Shipments from Illinois, Indiana and Ohio and from the South Central area were larger than a year ago, otherwise the reduction was general.

Cold storage holdings of case eggs on March 1 were 256,000 cases compared to 408,000 a year ago and a 5-year average of 108,000 cases.

Apparent consumption, as indicated by trade output in the 4 markets (New York, Chicago, Philadelphia and Boston) was about 1.2 million cases in February 1932 compared to 1.4 million cases in February 1931.

Hatchery reports show an increase relative to last year in salable chicks hatched during January, but also show a slight decrease in order for later delivery.

CHICKENS

The farm price of chickens continued to decline, contrary to the usual seasonal course, and was 12.6 cents on February 15 compared to 13.3 cents on January 15 and 15.1 cents on February 15, 1931. The decline is more unusual in that receipts are less than both a month ago and a year ago, and below

the 5-year average, and storage stocks are also below average. Apparent consumption the past month was about the same as a year ago.

Receipts of dressed poultry at 4 markets during February were 19.6 million pounds compared to 24.7 million pounds a year ago and a 5-year average of 21.5 million pounds. Receipts since early January have consistently been less than a year earlier and, in view of fewer chickens on farms, are likely to continue so during the spring.

Cold storage holdings of frozen poultry on March 1 were 96.4 million pounds compared to 95.2 million pounds a year earlier and a 5-year average of 110.1 million pounds.

Apparent consumption, as indicated by trade output in the 4 markets (New York, Chicago, Philadelphia and Boston) is about the same as a year ago being 29.4 million pounds in February as compared to 28.8 million pounds a year ago.

LAMBS

The lamb market during February was fairly steady at the level of prices reached at the end of January. This level was one where the bulk of good and choice fed lambs at Chicago sold from $6.00 to $6.50 a hundred, with the top on choice lambs from $6.65 to $7.00. Early in February there was an advance for a few days that carried the top to $7.40 but a precipitous decline carried prices back to the former level.

While conditions in the wholesale meat markets during February were not favorable for instilling much strength in the market for any kind of meat animals, apparently these conditions affected lambs less than hogs or cattle. Slaughter of all three species was larger in February this year than last, but the increase in lamb slaughter was much greater than that of the other species. In spite of this relatively larger increase in supply, the dressed lamb market was the only section of the wholesale meat trade that gave any evidence of strength, and while this was not enough to bring any advance in live lambs it was sufficient to keep them fairly steady while prices of other livestock declined.

Inspected slaughter of lambs and sheep in February at 1,439,000 head was the largest for the month on record, being 17 per cent larger than in February last year and 33 per cent above the 5-year February average. Slaughter in January and February combined was nearly 500,000 head larger than for these months in 1931; 700,000 head larger than 1930 and about 1,000,000 head larger than for similar months in any other recent year. To some extent this increase in numbers was offset by a decrease in average weights of lambs slaughtered.

Slaughter supplies during March and April will be of fed lambs and of early spring lambs from California and Arizona and of early lambs and grass fat yearlings and wethers from Texas. The number of lambs in feed lots in Colorado and the Scottsbluff area of Nebraska was about the same on March 1 as on the same date last year. The early lamb crop in

California and Arizona is somewhat smaller this year than last. Early lambs in much of California did not develop favorably in January and February, and eastern shipments before May 1 are expected to be small. On the other hand weather and feed conditions in Texas have been quite favorable and shipments of early lambs and of grass fat yearlings are expected to be in large volume this spring.

Reports of heavy winter death losses of sheep are coming from many western areas and sheep in most of the western sheep States are in rather poor condition. Even with normal spring weather additional heavy losses are probable in much of the intermountain region, where most of the winter loss has taken place, and a cold, late spring would probably result in a heavy mortality of both lambs and ewes in most of the area from the western Dakotas to the Sierras.

On the other hand, feed and weather conditions in the early eastern lambing States of Virginia, Kentucky, and Tennessee were very favorable all winter and prospects are good for a fairly early movement of good quality lambs in May and June.

WOOL

Trading in wool market at Boston has been quiet during the past month. The dullness of the present between-seasons period has been intensified by the low demand from manufacturers of men's wear and buyers are awaiting developments on the goods market. The price of 64s - 70s, 80 fine strictly combing Ohio and similar grease wool at Boston averaged 23-1/4 cents per pound for the week ended March 5 compared with 23½ cents per pound for the first week of February. Fine strictly combing Territory wool, scoured bases, remained unchanged during the month at 56 cents per pound while 56s (3/8 blood) was 48½ cents per pound on March 5, or 1 cent per pound cheaper than on February 6.

Markets in Australia and New Zealand reported a slowing up in trade and a slight weakening of prices at the end of February. The second series of sales at London opened March 1 with prices for most wools 5 to 15 per cent below the closing prices of February 2, but competition improved during the week and prices in some instances became firmer. Bradford has been the chief purchaser. The lower prices at London were followed by slight declines in quotations for tops and yarns at Bradford.

An improvement in wool manufacturing activity in England has occurred in recent months largely at the expense of activity in Continental European countries as a result of the imposition of a 50 per cent tariff on imports of wool yarns and tissues by the United Kingdom. Continental European countries report only fair activity and are complaining of British competition and the loss of the English market.

Increased activity in the domestic goods and raw wool markets in January was associated with an improvement in consumption and machinery activity for that month. Consumption of combing and clothing wool by United States manufacturers reporting to the Bureau of the Census was approximately 28,000,000

pounds (grease basis) in January compared with 26,000,000 pounds in December and 27,000,000 pounds in January 1931. The average consumption reported for the month of January during the five years 1927-1931 was 33,000,000 pounds. Imports of combing and clothing wool into Boston, New York, and Philadelphia for the first two months of this year were smaller than for the same months last year.

Total production of shorn and pulled wool in the United States in 1931 was 435,000,000 pounds according to the latest revised estimate. This compares with a production of 413,000,000 pounds in 1930 and 382,000,000 pounds in 1929. Total production in 1931 in 10 of the chief wool producing countries (exclusive of Russia and China) was 4 per cent above the 1930 production in those countries.

COTTON

Domestic cotton prices at the end of February and the first week of March were about one-half cent per pound higher than a month earlier. The advance during this period as well as during the previous month has been rather steady. The average price at the 10 spot markets, which on March 2 was 6.77 cents per pound, was 1.88 cents per pound above the low point reached in early October and was the highest since early August. Prices of American cotton in foreign markets have also strengthened during the past month and as a result Indian cotton prices at Liverpool are now several per cent cheaper relative to American than in January. American, however, is still relatively cheap as compared with Indian. This favorable price relationship between American and Indian has been an important factor in stimulating exports of American cotton and reducing exports of Indian. The developments in these price relationships are very largely the result of the relative supplies of American and Indian. The consumption report of the International Federation of Master Spinners' and Manufacturers' Associations for the first half of 1931-32 shows that foreign spinners have already made material shifts in the types of cotton being consumed. Mills outside the United States consumed 16.2 per cent, or 471,000 bales more American cotton during this period than during August through January last season, whereas the consumption of Indian cotton declined about 9 per cent. The consumption of Egyptian cotton was considerably above the same period last season, reflecting the large supply at relatively cheap prices.

World consumption of American cotton during the first half of 1931-32 amounted to 5,940,000 running bales, an increase of 662,000 bales or 12.5 per cent over the corresponding period of 1930-31 according to reports from the International Federation of Master Cotton Spinners' and Manufacturers' Associations. A substantial amount of the increased consumption of American cotton was at the expense of Indian. During this period, consumption of Indian cotton amounted to 2,724,000 running bales, a decrease of 289,000 bales or 9.6 per cent. Consumption of Egyptian cotton with an increase of 23.1 per cent showed a larger percentage increase than did the consumption of American, although the increase amounted to only 91,000 running bales. For the six months ended January 31, 1932 there was a decrease of 158,000 bales or 6.4 per cent in the consumption of Sundries cotton as compared with the same period in 1930-31. The increased consumption of American and Egyptian was sufficient to more than offset the decrease in Indian and

Sundries resulting in total world consumption for the period of 306,000 running bales or 2.7 per cent above the corresponding period last season. The consumption of American cotton in foreign countries from August through January this season showed a greater increase over the first half of 1930-31 than did consumption in the United States. The world outside the United States during the first half of this season consumed about 3,372,000 running bales which was an increase of 16.2 per cent or 471,000 bales. Domestic consumption of American cotton during this period increased only 8.3 per cent.

The total world mill stocks of American cotton at the end of January this year amounted to 2,710,000 running bales according to the report of the Federation and were 283,000 bales or 11.7 per cent larger than at the same date in 1931. Total mill stocks of all cotton, however, were only 50,000 bales or 1.1 per cent above a year earlier. The increase in American being almost offset by the decreases in Indian and Sundries. Stocks of Indian cotton held by consuming establishments at the end of January amounted to 1,113,000 bales compared with 1,212,000 bales a year earlier, or an increase of 16.4 per cent. Stocks of Sundries totaled 707,000 bales which was a decrease of 5.1 per cent or 38,000 bales. The 206,000 bales of Egyptian cotton held by spinners at the end of the first half of this season were 4,000 bales or 2.0 per cent larger than in 1930-31. While world mill stocks of American cotton were larger than last year they were smaller than in any previous year since 1924-25. Mill stocks of Indian were the smallest since 1927-28 and total stocks of all cotton held by mills were the smallest since 1924-25 with the exception of 1930-31.

Domestic exports during February amounted to about 970,000 bales as compared with 433,000 bales during February 1931, according to reports of the Bureau of the Census. This brings the total exports for the season to about 5,925,000 bales, about 1,013,000 bales or 21 per cent more than during the same period last season. The Orient continued to take large amounts of American cotton during February despite the fact that cotton moving through Shanghai has encountered considerable difficulty. Some of this cotton has been diverted to Japan, awaiting more settled conditions before being moved to Shanghai. The exports to Japan during February were four times as large as during February last year. Great Britain also continues to take more than a year ago, and in February took more than twice as much as in February, 1931. The export movement of Indian cotton, however, continues much below last season and so far this season exports have been only about one-half of those for the corresponding period of 1930-31.

Domestic cotton consumption in February amounted to about 450,000 running bales, according to the Bureau of the Census. This compares with 435,000 bales in January and 433,000 bales in February, 1931. The increase from January to February this season compared with an average decrease during the past five years of about 40,000 bales or 7 per cent. During the first seven months of the season domestic consumption has been about 188,000 bales or 6 per cent above the same months of 1930-31. Consumption of American cotton in the United States has shown a slightly larger increase due to the decrease in the consumption of foreign.

In Great Britain cotton textile mill activity has apparently been maintained at a level much above that of the early part of the season. Foreign as well as domestic demands for cotton piece goods and yarns are at present reported as increasing, including increased takings by India and China. Exports of cotton piece goods from Great Britain in February amounted to about 180.5 million square yards, a slight increase over January, whereas, there is usually a decline from January to February. In February 1931 piece goods exports were 19 per cent less than this year. For the season exports to the end of February were slightly above the same period in 1930-31. The lack of new business in cotton textiles on the Continent is resulting in a continuation of low mill activity. In India, the cotton mills have been very active this season. Consumption of cotton in India so far this season has been well above last season and only about 2.4 per cent below the record levels of 1929-30. This domestic demand for cotton in conjunction with the short crop and small carry-over of Indian and the record supply of American explains why Indian cotton prices have been high relative to prices of American and why exports of Indian have been reduced to about half of those for the corresponding period last season. India has been taking record amounts of American cotton this season.

In Japan cotton textile mill activity as measured by yarn production has been advancing since the beginning of the season and during the first half of the season yarn production was about 12 per cent above the same period last season and unusually large proportions of American cotton have been used. Textile activity in China was at a high level until military operations around Shanghai during the past month or so reduced activity in that important mill center to about 10 per cent of capacity for a short time, but during the first week of March it was estimated that yarn production was 30 to 40 per cent of capacity and compares with activity a few months ago of perhaps 70 per cent or more of capacity. The tight currency situation among the native banks is said to be the factor now preventing a return to normal.

Recently reported revisions in the estimated production in some of the important foreign producing countries for 1930-31 and 1931-32 have necessitated a slight revision in the estimated world totals. For 1930-31 the estimate is now 25,600,000 bales of 478 pounds for the world including China, which is 200,000 bales larger than our previous estimate. The present estimate for the 1931-32 crop is 27,300,000 bales. The crop in foreign countries is apparently about 1.3 million bales less than in 1930-31.

Preparations for the new domestic crop are reported as somewhat below normal. Fertilizer tag sales in eight cotton States during February were only 54.8 per cent of February 1931, and only slightly more than one-fourth as large as in 1930. For the three months December through February tag sales were about half as large as in this period last season and 27 per cent as large as in these three months in 1929-30.

Business Statistics Relating to Domestic Demand

Year and month	Industrial production 1/ (1) 1923-1925 = 100	(2) Trend = 100	(3) June 1929 = 100	Factory payrolls 2/	Factory employment 2/	Commodity At farms 3/	U. S. Wholesale 1910-1914 = 100	U. S. Wholesale 4/ 1926 = 100	Foreign 5/	Interest rates 6/	Industrial stock prices 7/
1929											
June	125	113	100	110	102	135	139	95	94	6.00	315
July	124	111	98	109	102	140	141	96	94	6.00	344
Aug.	123	110	97	110	102	143	141	96	93	6.19	361
Sept	122	109	96	110	101	141	140	96	94	6.25	365
Oct.	118	105	93	106	100	140	139	95	94	6.19	321
Nov.	108	96	85	101	98	136	136	94	92	5.43	233
Dec.	101	90	79	98	95	135	136	93	91	5.12	247
1930											
Jan.	104	92	81	97	94	134	135	92	90	4.94	252
Feb.	107	94	83	95	93	131	133	91	88	4.68	268
Mar.	104	92	81	94	92	126	132	90	86	4.31	277
Apr.	107	94	83	95	92	127	131	90	86	3.88	288
May	104	91	80	93	91	124	130	89	84	3.73	269
June	100	88	77	91	89	123	127	87	84	3.54	239
July	95	83	73	85	86	111	123	84	83	3.16	232
Aug.	91	79	70	82	85	108	123	84	83	3.00	231
Sept	91	79	70	83	84	111	123	84	81	3.00	232
Oct.	87	76	67	78	83	106	121	83	80	2.92	196
Nov.	85	74	65	74	81	103	119	81	79	2.88	182
Dec.	82	71	62	73	79	97	116	80	78	2.38	170
1931											
Jan.	83	72	63	70	78	94	114	78	76	2.85	168
Feb.	86	74	65	72	77	90	112	77	76	2.63	181
Mar.	88	76	67	72	78	91	111	76	76	2.52	182
Apr.	90	77	68	72	78	91	109	75	76	2.38	152
May	89	76	67	71	78	86	107	73	74	2.20	143
June	84	72	63	68	76	80	105	72	74	2.00	138
July	83	71	62	67	75	79	105	72	74	2.00	143
Aug.	79	67	59	64	74	75	105	72	72	2.00	139
Sept	76	64	57	62	73	72	104	71	71	2.02	119
Oct.	73	62	55	58	70	68	103	70	72	3.50	102
Nov.	72	61	54	56	68	71	102	70	72	4.03	104
Dec.	71	60	53	55	68	66	100	69	72	3.88	81
1932											
Jan.	70	59	52	54	67	63	98	67		3.88	79
Feb.						60				3.84	80

1/ Federal Reserve Board, 1923-1925 = 100. (1) adjusted for seasonal.
(2) adjusted for seasonal and trend.
(3) per cent of peak in June, 1929.

2/ Federal Reserve Board, 1923-1925 = 100, adjusted for seasonal.

3/ U. S. D. A., August 1909 - July 1914 = 100.

4/ Bureau of Labor Statistics. (new index of 784 commodities)

5/ Weighted average of indexes for eight foreign countries = United Kingdom, Canada, Japan, France, Italy, Germany, China and the Netherlands, 1926 = 100.

6/ The Annalist. Average of daily rates of commercial paper in New York City.

7/ Dow-Jones index is based on daily average closing price of thirty stocks.

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UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics
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THE PRICE SITUATION, APRIL 1932

FARM PRICES

Somewhat higher prices received by producers for several commodities on March 15 compared with those of February 15, resulted in a 1 point advance in the general index of farm prices from 60 to 61 per cent of the pre-war average, but this proved only temporary. Further weakness developed in a number of important commodities. Grain prices declined but again turned upward. On March 15 farm prices were 30 points or about 33 per cent lower than their averages a year ago.

The small advance between February 15 and March 15 was the result of higher prices of cotton, small grains, apples and livestock which more than offset lower prices for dairy and poultry products. Grains showed noticeable improvement during the second week of April. Livestock and livestock products, including hogs, wool and butter, were lower during the second week of April than they were around the middle of March. Potato prices also lost part of their recent advance, while apple prices showed seasonal improvement.

Wholesale market prices of farm products also advanced about 1 point from 71 per cent of the pre-war average during the middle of February to 72 per cent during the middle of March and then declined 3 points to 69 on April 2. This is approximately 30 per cent lower than the average of a year ago and corresponds with a similar decline of about 33 per cent in prices received by producers.

The index of prices paid by farmers is now about 117 per cent of pre-war. With prices received by farmers at 61 on March 15 and somewhat less than that during early April, the relative exchange value of farm products is approximately 52 per cent of its pre-war value compared with 68 a year ago.

Farm wages, contrary to their usual seasonal advance, declined from January 1 to April 1 this year, and on the latter date were 25 per cent lower than on April 1 last year. The declining level of wages in cities, the larger supply of available farm labor, and the smaller demand for labor, are responsible for the failure of farm wages to show the usual seasonal springtime advance. The index of farm wages, adjusted for usual seasonal variations, declined from 103 per cent of pre-war on January 1, 1932 to 95 on April 1, compared with 128 a year ago and 164 two years ago; a decline in two years of 42 per cent.

THE GENERAL WHOLESALE PRICE LEVEL

The wholesale commodity price level continued to decline the past month and reflected similar tendencies in industrial conditions. From a level of 99.7 per cent of pre-war, on January 2, the Bureau of Labor Statistics index declined to 96.6 on March 5 and after a slight recovery of half a point,

declined to 96.2 by April 2. The slight recovery during March was due largely to the 1 point increase in the index of farm products. The recent weakness occurred in the indexes of farm products, food, hides, leather textiles, and chemical groups - the groups largely influenced by agricultural products. The non-agricultural groups have remained fairly stable with a slight upward tendency in fuel and lighting offset by a similarly slight downward tendency to building materials.

In contrast with the general average of 96.2 per cent of the pre-war average for all groups, on April 2, farm products averaged 69. Chemicals averaged 92, metals 95, foods 96, textiles 104, hides and leather 118, building material 132, and house-furnishings 143 per cent of pre-war.

Prices in other countries also continue to sag with further deterioration in business conditions in most countries except England. The index of prices in foreign countries which averaged 71.2 per cent of the 1926 level last September and advanced to 72.3 in November, receded to 70.8 during February and declined still further during March and early April. If the lower foreign exchange rates are taken into account and foreign prices expressed in terms of gold prices the decline in the index of prices in foreign countries has amounted to 11 per cent since last September, which compares with a decline of 4 per cent in the United States. In England, wholesale prices on a currency basis, which had advanced about 14 per cent between the third week of September and the end of November (according to Crumps weekly index), are now only 5 per cent higher than at the end of September, but in terms of gold, they are at least 15 per cent lower.

BUSINESS CONDITIONS

Business activity during March was at a still lower level than in January and February. Some basic industries declined, contrary to their usual seasonal expansion, others expanded less than usual for March. While the buying power of consumers and the industrial demand for farm products as yet has shown no improvement, some important developments have taken place in the banking situation resulting in a considerable reduction in the number of bank suspensions and some return of hoarded money to banks.

Industrial production in February averaged 1 per cent less than during January, as shown by revised indexes of the Federal Reserve Board. From March to November 1931 the index of industrial production declined from 87 per cent of the 1923-1925 average to 73, and a 1 point advance in December was followed by a sharp decline in January 1932 to 71, and again to 70 in February as industries failed to make their usual seasonal expansion. Current data indicate that the iron and steel industries, which usually show marked seasonal improvement during March, receded further this year. The automobile industry while operating at a somewhat higher rate, fell short of its usual seasonal increase during the first half of March, but showed more than seasonal improvement during the latter half. Building contracts awarded increased much less than is usual for March. Freight car loadings at the end of March

were of slightly lower volume than in preceding weeks.

Factory employment remained practically at the January level during February (the latest data available) while payrolls declined about 4 per cent. According to the Federal Reserve Board indexes, employment in January and February was 67 per cent of the 1923-1925 average and factory payrolls declined from 54 in January to 52 in February.

The Federal Reserve Banks during March expanded their purchases of United States Government securities, so that the total held by them on March 30 of 872 million dollars amounted to 112 million dollars more than on March 2. This however, was accompanied by more than an offsetting reduction in member bank indebtedness to the Reserve Banks, for total discounts declined from 828 million dollars on March 2 to 633 on March 30 with a reduction also in bills bought by the Reserve Banks. Total Federal Reserve Bank credit outstanding declined between these two dates from 1,710 million to 1,578 million dollars.

Member banks continued to reduce their loans on securities and for commercial purposes, but increased their investments during this period. Their total loans and investments declined from 19,523 million to 19,354 million compared with 22,953 million dollars a year ago.

Interest rates on commercial paper remained practically unchanged during January, February and March, but on acceptances there was a decline from 2.85 per cent during January to 2.30 during the first week of April. Speculative sentiment corresponding to the weakness in the business situation for industrial stock prices has again failed to hold earlier advances. Stock prices during the first part of this year, advanced for the sixth time since the beginning of 1930, but as on former occasions the advance was followed by a decline to new low levels. The advance in high grade bonds which took place during February and the first part of March has been more than offset by the decline during the last half of March.

Business conditions abroad also continue to be curtailed, except in the case of England, where the situation is stable to slightly better as a result of a balanced budget with some surplus and a steady to somewhat higher price of sterling. However, corrected figures on the British unemployment situation indicates a slight decrease in February contrary to the normal seasonal trend. Somewhat easier credit in England perhaps reflects a reduced demand for money rather than an additional supply of credit at the same or a lower rate.

On the European Continent, industrial activity and employment at the beginning of March were at the lowest levels in years, according to a recent report from the United States Agricultural Attaché at Berlin. No early recovery is now in prospect, because of the continuing growth of tariff barriers, rationing of foreign exchange and increased import restriction, except in the case of wheat for which restrictions have recently been eased by the leading continental importing countries. The rise in European barriers to

international trade has been particularly marked for agricultural products. In Germany where industries are working at less than 40 per cent capacity, the foreign trade position has grown worse during the first three months of this year, and this intensifies the German financial difficulties. In France, industrial production continued to recede, until recently when a slight spring pick-up occurred. Exports have continued to decline and has resulted in a further restriction of imports other than wheat.

WHEAT

Wheat prices were lower in March than in February, the average for March being 2 to 6 cents per bushel lower for most kinds of wheat. Most of the decline in prices took place during the latter part of the month. This decline was followed, however, by a marked improvement during the last few days of March and early April. There were reports of serious damage to winter wheat in many parts of the United States, particularly in the winter wheat regions of the Great Plains. While supplies of wheat available in the principal exporting countries as of April 1 appear to be a little smaller than on the corresponding date of last year supplies are larger in the United States. However, indications of smaller total supplies in the United States during the coming season decrease the likelihood of there being pressure upon holders of wheat to export.

Though wheat prices generally averaged lower during March than February, the average farm price as of the middle of the month was almost unchanged, being 44.2 cents per bushel compared with 44.0 cents in February. This was because the decline in prices came during the latter part of March. At Kansas City, No. 2 Hard Winter averaged 51.2 cents per bushel in March compared with 53.8 cents in February, while at St. Louis, No. 2 Red Winter averaged 55.2 cents in March compared with 57.5 for the previous month. The declines of spring wheat prices at Minneapolis were somewhat greater than those in the winter wheat markets, No. 1 Dark Northern Spring dropped from an average of 76.6 cents to 72.0 cents in March, and No. 2 Amber Durum from 85.9 to 78.4 cents per bushel. Due to a falling off of sales of winter wheat and a consequent decline in the importance of winter wheat in the average, the weighted average price of all classes and grades of wheat was only slightly lower in March than in February, being 57.8 cents in March compared with 59.0 in February.

Of outstanding importance in the wheat situation has been the evidence of the poor condition of winter wheat in the Great Plains area. The condition of the crop for the entire United States as of April 1 is reported to be 75.8 per cent of normal compared with a 10-year average of 80.9 per cent. The official estimate of the crop, indicated by April 1 conditions is 458 million bushels. This would be an average yield on the area planted of approximately 11.8 bushels per acre. Though April 1 conditions cannot be considered an exact indicator of the final outturn of the crop, it is significant that in the past twenty-two years there has been no instance when an April 1 condition of less than 80 per cent has not been followed by an average yield of less than 14 bushels per acre on the area sown. This compares with a yield of over 18 bushels per acre on last year's sown area.

If the indicated winter wheat crop of 458 million bushels should materalize and if the production of spring wheat should be average, the total wheat crop for the United States would be only about 700 million bushels. This is less than domestic utilization during 1930-31 and less than the probable utilization for the current season. In 1930-31, domestic utilization amounted to 728 million bushels and about the same amount will be used during the current season. These amounts are larger than usual, however, because of heavy feeding of wheat. Ordinarily domestic utilization in the United States amounts to about 500 million bushels used for food, 75 million for seed at present acreage levels and 40 to 50 million bushels for feed. The amount used for feed, however, is greater than usual when wheat prices are low, especially if they are low relative to feed grains as has been the case in the past two years.

Such indications as are thus far available suggest, however, that spring wheat yields in some regions at least, may be below average. Spring wheat yields show a close relationship to fall precipitation and weather conditions from April to July. Last fall there was continued dry weather throughout some of the spring wheat area, and this points to low yields unless there is generous rainfall in these areas during the spring months. Over most of the spring wheat area fall precipitation was about average, but subsoil moisture may be deficient because of the very dry weather last spring and summer.

With tentative indications pointing to a carry-over of wheat in the United States a little larger than that of last year, present indications are nevertheless, that the total supply of wheat available in the United States during the 1932-33 crop year will be much smaller than supplies have been during the current year. March 1 stocks on farms, in interior elevators and mills, and commercial stocks totalled 45 million bushels larger than those of last year. Consequently unless smaller mill stocks or larger exports in the last four months of the season counterbalance these, the carry-over will be larger. Even if the carry-over should be as much as 20 to 50 million bushels larger than last year, a reduction of the wheat crop from 892 million to 700 million bushels would far more than counterbalance this and make total supplies around 150 million bushels smaller than during the current season.

There will, of course, be an abundance of wheat available in the United States for domestic requirements, and due to the large carry-over, the United States will presumably have a large amount of wheat which can be exported next season. Nevertheless, present indications as to the winter wheat crop appear to give assurance that there will be no forced selling of wheat in the export market due to lack of storage space. Holders of wheat who wish to continue to store their grain will be able to do so, and foreign buyers will not be assured of exports regardless of price.

United States wheat prices continue to be well above a normal export basis. The relationship between United States and world prices appears to be dependent largely upon the prospect for supplies of wheat in the United States which will be available to the regular grain trade: that is prospects for total supplies minus stocks retained by the Grain Stabilization Corporation. With the first quarter of 1932 passed and the heaviest of the new crop movement from the Southern Hemisphere out of the way, importing countries appear more interested in obtaining supplies from the United States and Canada to help fill out their import requirements. Supplies of old crop wheat available in the principal exporting countries are estimated to be a little smaller than they were a year ago. New crop prospects

in the Northern Hemisphere are on the whole somewhat poorer than last year, the acreage in the United States having been materially reduced and its condition being poor, while in western Europe crop prospects are generally favorable and in eastern Europe generally unfavorable new crop conditions have been reported.

CORN

Corn prices declined somewhat further during March and by the last week of the month were at the lowest levels reached thus far during the season. While receipts were small, demand continued poor, and commercial stocks have been increasing. Commercial stocks, however, are smaller than usual at this time of year.

The United States average farm price as of March 15 was 32.2 cents per bushel compared with 32.4 cents a month previous. During the latter part of the month, however, market prices declined about 3 cents per bushel so that prices averaged lower in March than in February. The March average price of all classes and grades at 5 markets was 33 cents per bushel compared with 34 cents in February, while at Chicago, the average of No. 3 Yellow was 33 cents per bushel which is the lowest monthly average for that grade since February 1900. This grade of corn, which had averaged 33.0 cents for the week ended March 4, rose to 34.6 cents the following week. It then declined to 31.3 cents per bushel for the week ended March 25 which was the lowest weekly average thus far recorded during the season. There was a slight recovery in the two following weeks, No. 3 Yellow averaging 32.8 and 32.6 cents per bushel respectively for the weeks ending April 1 and April 8.

Receipts of corn at the 14 principal markets decreased from 14.1 million bushels in February to 10.6 million in March. This is the lowest level of March receipts in any recent year. The same, however, may be said of receipts for each of the months of this season. During the past five years March receipts have averaged 24.0 million bushels, and in 1931 they amounted to 18.8 million bushels. Total receipts for the five months, November to March, for the current crop year have amounted to 57.6 million bushels compared with 104.2 million last year and an average for the past five years of 138.2 million bushels. Utilization of corn, however, has continued at a slow rate as indicated by the fact that commercial stocks despite the low receipts increased from 7.3 million bushels as of October 30 to 20.8 million March 5, and 23.0 million on March 26. On April 9 they amounted to 22.7 million bushels compared with 21.1 million bushels a year ago and an average for the past five years on the corresponding date of 35.5 million bushels. The seasonal peak of commercial stocks is usually reached during March.

Reported wet process grindings of corn during March amounted to 5.0 million bushels compared with 5.4 million last March and an average of 7.0 million bushels during that month for the past five years. The total grindings for the months November to March inclusive, have amounted to 22.5 million bushels compared with 22.2 million during the corresponding period of last year and a 5-year average of 27.2 million bushels.

Prices of corn in Buenos Aires, Argentina, have recently been but little below Chicago prices, indicating that prices in the United States are fairly close to an export basis. However, there has thus far been very little movement of United States corn to foreign markets. Total exports for the period November to March having amounted to only about 152,000 bushels compared with 421,000 during the corresponding five months of last season and an average of 11,781,000

bushels during the corresponding period of the past five years. The Argentine corn crop, which begins to move into export about the first of May, has been officially estimated at 268 million bushels which is 35 per cent below the final estimate of last year's unusually large crop.

TOBACCO

The regular 1931-32 marketing season for most of the important types of tobacco grown in the United States has now closed, and interest centers chiefly in plans for the 1932 crop. In general, very low and disappointing prices were obtained for the production of 1931 and growers reports of intentions on March 1 indicate that smaller acreages will be planted in 1932. In the dark air-cured and fire-cured districts reductions of approximately 39 and 23 per cent, respectively, are reported to be in prospect; in flue-cured the indicated reduction is 27 per cent; in other districts the reported intentions vary from a 14 per cent decrease in burley and a 10 per cent average decrease in the cigar types to a 3 per cent increase in southern Maryland.

Based upon existing supplies and the present rates of domestic consumption and exports it appears that the intended acreages for 1932 are likely to result in improved conditions for some types but a further weakening of the position of others. See Supplement to the Agricultural Outlook for 1932, March 26, 1932, pp. 15-16.

Auction-floor prices for the 1931-32 season for types wholly or partially marketed up to April 1 compared with prices for the 1930-31 season, in cents per pound, as follows: flue-cured, 8.5 and 12.0; burley (Ky), 8.6 and 15.0; Virginia fire-cured, 5.0 and 8.3; Clarksville-Hopkinsville fire-cured (Ky), 4.9 and 7.5; Paducah fire-cured (Ky), 3.3 and 5.3; Henderson fire-cured, 3.1 and 6.9; One sucker (Ky), 3.1 and 7.0; Green River, 3.3 and 8.9; Virginia sun-cured, 5.8 and 7.7.

As usual, the loose-floor sales of fire-cured tobacco have continued for some weeks after the closing of such markets for flue-cured and burley have been closed. Recently, the prices for high quality fire-cured have strengthened somewhat, particularly on the snuff grades. However, the improvement has not been sufficient to materially affect market averages. Earlier trade estimates appear to have over-estimated the proportion of high quality leaf in the 1931 crop and the reported advances have been the result of belated attempts by buyers to fill their requirements. Prices for the medium and lower qualities of fire-cured have shown little change from previous months.

Domestic consumption of manufactured tobacco products, as indicated by tax-paid withdrawals of internal revenue stamps, continues well below a year ago. For the period July to February 1931-32, compared with 1930-31, the indicated consumption was as follows: cigarettes, 10 per cent less; cigars, 10 per cent less, snuff , 5 per cent less; manufactured tobacco (smoking and chewing) 1 per cent greater. Consumers apparently are continuing to favor the lower priced products, as indicated by the increased use of manufactured tobacco and the further growth in the consumption of cigars retailing at 5 cents each, or less, at the expense of higher priced cigars.

Exports, also, continue at reduced levels. For the period July to February 1931-32, the flue-cured shipments of 234 million pounds were 25 per cent below those of a year earlier and 16 per cent less than the 5-year, 1925-26 to

1929-30, average. Exports of Kentucky-Tennessee fire-cured for the period October to February 1931-32 totaled only 21 million pounds. This is 30 per cent less than the 30 million pounds exported during the same months in 1930-31 and the smallest for any season since records were first available in 1923. For Virginia fire-cured the exports from October to February 1931-32 were slightly larger than the unusually small shipments for this period in 1930-31 but materially less than for other recent years. Most of the minor export types continue to move in greatly reduced volume.

POTATOES

The level of potato prices has improved noticeably during the past month as a result of sharp freezes, and a prolonged cold spell, throughout the South and of temporarily reduced shipments from Northern States. Part of the price rise which took place during the middle of March has since then been lost as shipments of both old and new potatoes increased.

The United States average farm price of potatoes showed only a 1 cent rise from 45 cents per bushel on February 15 to 46 cents on March 15, but since then prices have apparently been on a higher level. Shipping point prices in the Northern States advanced sharply by the third week of March, with a good part of the gains still evident in the eastern sections. Thus prices at Presque Isle, Maine, advanced from 37-40 cents per 100 pounds during the first part of March to 70 cents during the third week, and then declined to 50 cents during the second week of April. During this same interval prices at Rochester, New York, advanced from about 60 cents to 82 and receded to 70 cents, while at Idaho Falls the advance was somewhat smaller from 50-55 cents to 60-70 cents and the recession by the second week of April restored the previous low level of 50-55 cents.

The improvement in the northern markets during March were due largely to the sharp freezes and prolonged cold spell which damaged and delayed the crop throughout the South, according to the Crop Report as of April 1. The crop in many of the most southerly sections was unusually well advanced and progressing favorably before the freeze. The freeze caused considerably damage to vines that were mature or approaching maturity in Florida and Texas. Damage was most extensive in the Gulf States and north as far as South Carolina. Some of the frozen acreage had to be replanted, and it now seems likely that the total acreage for early potatoes this season will not be reduced much from the original plantings. So far the weather following early March freezes has been too cold and dry to encourage crop recovery. Consequently the condition of the early potato crop in 10 Southern States on April 1 was 63 per cent of normal compared with 79 a year ago and a 5-year April 1 average of about 80. This year's condition is the lowest in at least nine years.

The extent to which the lighter supplies in prospect in the South will continue to support higher prices in the northern markets will depend on the marketings of old crop potatoes during the balance of the season. Car lot shipments which have this season been smaller than during the corresponding months of last season were in March practically equal to those of March of 1931; an increase over the preceding month of 5,000 cars compared with an

increase of only 3,000 cars for this period last year and somewhat over 1,000 cars for the same period two years earlier. Stocks still available as of March 1 were 50 million bushels greater than in the preceding year, indicating that the increase in the 1931 crop over that of 1930 was not disposed of even at the lower level of prices which has prevailed so far this season.

Prices of new crop potatoes at Hastings, Florida which had declined from about $2.75 per 100 pounds during the third week of March to about $2.00 on April 1 have since advanced to about $2.50. Shipments of southern potatoes have been unusually large so far this season amounting to 1,432 cars by the end of March compared with 617 last year and 827 for the same period two years ago. In view of the smaller total supply in prospect, this indicates an earlier season. This shift in the rate of marketings tends to supply competition for northern shipments, but may become a favorable factor for those States that ship during the late spring and early summer months.

RICE

Rice prices in California and in the Southern Belt were lower during March than February. Fancy Blue Rose at New Orleans was quoted at $2.37½ on April 4 compared with $2.50 per hundred pounds on March 1. Blue Rose rough at Louisiana mills was quoted at $1.80 to $1.90 per barrel on April 5 compared with $2.00 to $2.25 a month earlier. Fancy California-Japan at San Francisco was quoted at from $2.50 to $2.55 per hundred pounds on April 4 compared with $2.70 to $2.75 on March 8. No. 1 Brown was $2.20 to $2.25 per hundred pounds on April 4 compared with $2.41 a month earlier.

Southern Belt

Stocks of rough and milled rice in millers hands on April 1 were reported to be the equivalent of 184,200,000 pounds of milled rice or 1,842,000 barrels of rough rice compared with 153,500,000 pounds of milled or 1,535,000 barrels of rough a year earlier.

The movement of rough rice from farms to mills was 813,000 barrels during March compared with 734,000 barrels during February and 601,000 for March 1931. The March movement of milled rice into consuming channels was somewhat larger than the February movement. Shipments from mills during March totaled 85,200,000 pounds compared with 85,300,000 pounds during March 1931. Shipments to Porto Rico during March totaled about 21,000,000 pounds compared with 15,000,000 for February and 23,000,000 for March 1931. Total Porto Rico movement for the crop year to April 1 amounted to about 142,000,000 pounds compared with 160,000,000 for the corresponding period last year. Exports through Southern ports during March totaled about 26,000,000 pounds which was about 10,000,000 pounds above the February movement. For the crop year to April 1 exports through Southern ports have totaled about 130,000,000 pounds compared with 154,000,000 for the corresponding period last year.

The falling off in exports this year can be attributed in large part to the depreciated currencies of competing exporting countries and the relatively low consumer purchasing power of importing countries. Prices of Asiatic rices in European markets have improved somewhat during the past few weeks, while American Blue Rose at those markets has weakened slightly. This situation may have accounted for the increase in American rice exports during March.

California

Stocks of rough rice remaining in growers hands in California on April 1 were reported by the trade to be about 2 million bags. Although data are not available for the holdings of a year earlier, it is reported that current stocks are considerably larger. Shipments of California rice to Hawaii during March were larger than the movement to that market during February and larger than the movement for March 1931. The total movement of California rice to Hawaii for the crop year to April 1, was about 53 million pounds compared with 58.5 million for the corresponding period last year. Exports of California rice during March totaled only about 200,000 pounds which was considerably under the movement of March 1931.

Japan continues to buy some California rice screenings. The price relationship between Tokyo and San Francisco continues unfavorable for the export of California head rice to Japan. Tokyo prices, in terms of United States currency, declined during March. On March 25, the price, in gold, of middle quality brown rice at Tokyo was $2.30 per hundred pounds, the same as the price of No. 1 Brown at San Francisco.

HOGS

Hog prices rose about 60 cents per 100 pounds during the first two weeks of March, but most of the advance was lost in the decline which occurred during the remainder of the month and in early April. Prices at the peak, made during the week ended March 12, were back to the levels of early November, 1931. The top price at Chicago that week was $5.10 and the average was $4.54. The top price for the week ended April 9, was $4.60 and the average $4.03. The monthly average in March was $4.33, compared with $3.89 in February and $7.46 during March 1931. Although the price advance early in the month was partly in response to the seasonal reduction in supplies, the major influence was probably the temporary stimulation in the demand for fresh pork, caused by the sharp drop in temperatures at that time. With the return of warmer weather later in the month, prices turned downward, even though market supplies continued their seasonal decrease.

Marketings fell off sharply through March, and in the latter half of the month were considerably below those of the same period in 1931. Slaughter under Federal inspection during the month, amounting to 3,664,000 head, was 20 per cent smaller than that of February, but 4 per cent larger than in March, 1931. The increase in March slaughter over that of March last year was due to the fact that the month this year had one less Sunday than it did last year. The average slaughter per market day was about the same as that of a year earlier.

The number of hogs slaughtered under Federal inspection during the first six months of the current marketing year which began October 1, 1931, was 5.8 per cent larger than that of the corresponding period in the previous marketing year. This percentage increase is about in line with the increase in the 1931 spring pig crop as indicated by the pig survey made last June. Because of the lighter weights at which hogs were marketed, the increase in total dressed weight from Federally inspected slaughter during the first half of the current marketing year was only about 2 per cent greater than that of the same period a year earlier. The total amount paid for these hogs, however, was about 45 per cent less than that paid in the earlier period.

Because of the great reduction in exports of hog products, an increased proportion of the total United States production has been forced into domestic consumption, even though the demand for these products has been somewhat weaker than a year earlier. Total apparent consumption of pork and lard during the first five months of the current marketing year was 6.7 per cent greater than in the same period of the previous year.

Prices of fresh pork advanced sharply during the first three weeks of March, but much of the rise was lost during the two weeks which followed. Prices of some cured pork products were fairly steady while others declined somewhat. Lard prices advanced moderately from the unusually low levels of late February.

Storage holdings of pork and lard decreased 16 million pounds during March as compared with a decrease of 9 million pounds during March last year. Stocks of pork on April 1 amounting to 794 million pounds were 16 million pounds smaller than those on March 1 but they were 6 per cent smaller than the stocks of pork on April 1, 1931 and 7 per cent smaller than the 5-year April 1 average. Weakness in both the foreign and domestic demand for lard, coupled with relatively heavy production, resulted in a relatively heavy movement of lard into storage. Total stocks of lard on April 1 amounting to 106 million pounds were 15 per cent larger than on March 1, and 36 per cent larger than on April 1, last year.

Lard exports were larger in February than in January and the total of 67 million pounds was only 3 per cent smaller than in February 1931 and but 1 per cent smaller than the 5-year average for the month. Because of the small movement in January, however, the total for the two months was 8 per cent smaller than the total for the corresponding period last year and 10 per cent smaller than the 5-year average for the period. Exports of other hog products continued small, and the February total of 9 million pounds was only three-fifths as large as in February 1931, and only about a third as large as the 5-year average February exports.

Hog slaughter in Germany and Denmark, the two principal European hog producing countries, continued near record high levels during the first quarter of 1932. Recent census returns from those countries and reports from other countries of less importance in the international pork trade indicate that European hog numbers are decreasing, but no material reduction in marketings is expected during the remainder of the current marketing year.

Reports from the western Corn Belt indicate that considerable numbers of hogs from the 1931 spring pig crop are yet to be marketed. The 1931 fall pigs in that area have made only normal gains and although some have already been marketed the movement is not likely to get under way in volume until late April. The peak of this movement is usually reached in early June. In view of the indicated 20 per cent increase in the pig crop of last fall, as shown by the December survey, total hog marketings during the remainder of the current hog marketing year which ends September 30, are expected to be considerably larger than in the corresponding period of 1931. Federally inspected slaughter in April probably will not be greatly different from that of April last year when it was slightly larger than the 5-year average for the month. Slaughter during the four months following April, however, will probably be 10 to 15 per cent larger than the unusually small slaughter in those months last year.

CATTLE

Until about the middle of March prices of different grades of beef cattle continued to follow their usual seasonal direction, with the upper grades tending downward and the lower grades upward. After the middle of the month, however, prices of all grades of beef steers declined and for the week ended April 2 the average weekly price of all beef steers at Chicago was almost back to the low point reached early in February in spite of the seasonal increase in the proportion of the better grades and the higher prices for the lower grades.

For the week ended April 2 the average price of choice beef steers at $7.74 was nearly $3.00 lower than at the beginning of the year and almost as low as the low week in May of 1931 when the average price was $7.47. Common beef steers at $5.01 were about 60 cents higher than in the low week early in February but were 60 cents lower than in the low week last May. The spread between the average monthly price of choice and of common beef steers in March at $2.85 was the narrowest since last June but was relatively wide for the month which indicates that the better grades of beef steers are still selling relatively high compared to the lower grades.

Prices of all grades of slaughter cows, heifers and bulls tended to strengthen some during March but the prices of veal calves declined sharply and at the beginning of April the top on choice veal calves at Chicago was about $6.00, near the lowest level reached in the present century. Prices of stocker and feeder cattle advanced somewhat in March in line with the usual seasonal tendency, the average cost of such steers at Chicago in March being $5.22 compared to $4.52 in February and $7.20 in March 1931.

There was an unusual disparity between the change in receipts of cattle at 7 leading markets in March and the change in inspected slaughter for the month when each is compared with the corresponding figure of March 1931. Receipts of cattle at 7 leading markets were 16 per cent or 100,000 head smaller than in March 1931 and about the same percentage below the 5-year March average, while inspected slaughter was practically the same as in March 1931 and only 4 per cent below the 5-year March average. During

the first half of the year there is rather a close relationship in the actual number of head of cattle received monthly at the 7 markets and the monthly inspected slaughter, and changes in the receipts are usually a good indication as to changes in slaughter. The disparity this year can be partly explained by the smaller shipments of stocker and feeder cattle from markets in March this year than last, although the decrease in March was less than the decrease in either January or February; in neither of which months was the change in receipts at so wide a variance from the change in slaughter. Inspected slaughter at the 7 markets decreased only 10,000 head compared to a decrease of 100,000 head in receipts, indicating a marked decrease in shipments other than feeder shipments.

The receipts of beef steers at Chicago in March this year were about the same as in March 1931 and there was a distinct improvement in the average quality of the supply. While the proportion of common steers continued unusually large for the month it was much smaller than in February and the number of head was but little larger than in March last year, while in both January and February it was almost twice as large. The number of choice steers was above and the number of good steers was below the usual number for the month. Inspected slaughter of cows and heifers in February was very small, both the number and proportion of the total being much the smallest for the month in the thirteen years for which records are available. A continuation of this small slaughter of cows and heifers during March is indicated by available evidence. On the other hand the slaughter of steers in February was the largest for the month in ten years.

Indications are for relatively small supplies of fed cattle during the next few months. The number of cattle on feed for market in the Corn Belt States on April 1 is estimated as 16 per cent (or about 235,000 head) less than on April 1 last year. There was also a marked decrease in the number of cattle on feed in the irrigated sections of Colorado. On the other hand there will probably be a heavy movement of cake-finished cattle from Texas. There is little indication that supplies of cows and heifers for slaughter during the next few months will be larger than a year earlier, although there may not be a continuation of the relative small supplies that marked the cattle supply of the past winter.

BUTTER

Production of butter during February was decidedly larger than a year ago, but the movement out-of-storage was small and the movement of butter into consumptive channels was only slightly larger than in February 1931. Butter prices in March averaged about the same as in February but during the first part of April reached a new low.

Production of creamery butter in February of 117.7 million pounds was 8.9 per cent larger than in February 1931. Because of the extra day in February 1932, average daily production was only 5.2 per cent larger than a year earlier. The decline in production from January to February was less than usual and the index number of butter production rose from 120 in January to 124 in February. Production of the other manufactured dairy products in February were decidedly lower than in the same month of the preceding year, so that the total milk equivalent of manufactured production in February was only 5.5 per cent larger as compared with the increase of 8.9 per cent in butter production.

In the Middle Atlantic States February butter production was 18 per cent less than in the same month of 1931 and in the New England and Pacific Coast States production was about the same as a year earlier. In each of the other groups of States production was decidedly larger, being 22 per cent greater in the South Central States. Weekly reports indicate that during March the increase in butter production was less than in February.

Milk production per cow in herds kept by crop correspondents of 13.65 pounds on April 1 was about 5 per cent less than a year earlier and the lowest for April 1 since 1925. The increase in production per cow from March 1 to April 1 of 0.2 pounds was only one-fourth as great as the 5-year (1925-1929) average increase between the same dates. The percentage of cows milk on April 1 of 70.1 per cent was the highest on record for April 1 and compares with 68.9 per cent a year ago and the 1925 to 1929 average of 67.2 per cent. The increase in the percentage of cows milked from March 1 to April 1 was about average.

The condition of pastures on April 1 of 71 per cent of normal was the lowest on record for April 1 (since 1924) and compares with 75 per cent a year ago and 74 per cent two years ago. Unfavorable weather and less grain feeding tended to reduce production per cow.

The price of 92-score butter at New York during March averaged 22.6 cents per pound compared with 22.5 cents in February and 28.9 cents in March 1931. Butter prices rose slightly during the first half of March and averaged 23.3 cents for the week ended March 19, but declined during the latter half of March and averaged only 20.(cents for the week ended April 9. The farm price of butterfat on March 15 was 19.5 cents compared with 19.8 cents on February 15 and 27.5 cents a year ago.

Trade output of creamery butter during February of 125.0 million pounds was about 0.7 per cent larger than in February 1931. The out-of-storage movement during February of about 7 million pounds was less than half as great as the movement in February 1931 of 16 million pounds. The retail price of butter in February was about 19 per cent less than a year earlier.

Cold storage holdings of creamery butter on April 1 of 9.0 million pounds were only about one-half as great as a year ago and less than one-third as great as two years ago, but slightly larger than the average for April 1 for the five years 1925 to 1929.

Imports of butter into Great Britain and Germany were 12.0 per cent larger than in February 1931, indicating continued heavy production in

the principal exporting countries. On April 1 the price of 92-score butter at New York was 5.0 cents higher than the Copenhagen official quotation (gold basis); 1.0 cent higher than Danish butter in London; and 1.4 cents higher than New Zealand butter in London.

CHEESE

The movement of cheese into consumptive channels during February was slightly larger than a year ago; production and imports were lower, but the movement out-of-storage was larger. Cheese prices during March averaged about the same as in February instead of making the usual seasonal decline.

Cheese production in February of 28.5 million pounds was 5.3 per cent less than in February 1931, and 6.3 per cent less than the record February production in 1930. Production in March probably continued lower than a year ago since receipts at Wisconsin warehouses were about 11 per cent less than in March 1931. The increase in production from January to February was more than the usual seasonal increase and the index numbers of cheese production (adjusted for seasonal variation 1925-1929 = 100) rose from 111 in January to 116 in February.

The ruling price of cheese (twins) on the Wisconsin Cheese Exchange was unchanged at 10.0 cents during March, and compares with the February average of 10.1 cents and 13.8 cents a year ago. The decline from February to March was relatively small as prices in March usually average about 6 per cent lower than in February.

The movement of cheese into consumptive channels during February of 42.2 million pounds was 1.3 per cent larger than in February 1931. Production and imports were lower but the out-of-storage movement was larger than a year earlier. The retail price of cheese in February of 24.4 cents was 4.3 per cent less than in January but 21.8 per cent less than in February 1931.

Cold storage holdings of American cheese on April 1 were 36.8 million pounds compared with 41.8 million pounds a year ago and the 5-year average of 39.2 million pounds. The low point in cold storage holdings usually comes on May 1.

On April 1 the price of single daisies at New York of 12.6 cents was 0.5 cents higher than the price of Canadian cheese in London, and 1.8 cents higher than the price of New Zealand cheese in London.

Imports of cheese during February of 3.6 million pounds were 11.9 per cent lower than in February 1931.

EGGS

Egg prices as usual at this season of the year did not change materially during March. The effect of a weak into-storage demand tended to offset the effect of very light supplies. Receipts continued to increase seasonally but were much below previous years.

The price of special packed mixed colors at New York averaged 16.4 cents per dozen during March or about 6.2 cents below the price a year earlier. The farm price of eggs on March 15 was only 10.4 cents compared to 17.0 cents a year ago, the lowest State average being only 6.9 cents per dozen in Oklahoma. Refrigerator eggs, for October delivery, were quoted at

15-7/8 cents on April 9 while the comparable price on current receipts was 14 cents; a narrow difference.

Receipts of eggs at 4 markets during March were the lightest since 1920, being 1,358,000 cases, or over 30 per cent below the 1,961,000 cases for March 1931 and over 28 per cent below the 5-year average of 1,906,000 cases. The decrease is rather sudden, as in February receipts were only 15 per cent below the same month of 1931. The principal cause, in addition to unfavorable prices, was the recent cold wave. The reduction in production, while general throughout the country, is greater in the Middle West. Receipts at country packing plants in March were from 30 to 40 per cent below a year ago in the Middle West while on the Pacific Coast they were about 20 per cent less.

Cold storage holdings of case eggs on April 1 were 689,000 cases compared to 1,193,000 cases a year ago and a 5-year average of 1,528,000 cases. While part of the reduction in storage stocks is due to lighter supplies, some of it is due to inability or unwillingness to store at present prices. With the downward trend in prices the last two years it has often been necessary to dispose of storage eggs at a loss. Consequently buyers for storage seem to be pursuing a more cautious policy this year.

Though consumption of eggs in March, as indicated by the trade output in the 4 markets, was less than in February it did not drop as much as the year before. The trade output in March for New York, Chicago, Philadelphia and Boston was about 1.03 million cases as compared to 1.10 million cases in March 1931. The corresponding February figures are 1.2 million and 1.4 million cases, respectively.

CHICKENS

The farm price of chickens on March 15 at 12.6 cents per pound was the same as on February 15, compared with 16.1 on March 15, 1931. The usual seasonal price rise at this time failed to occur this year; due apparently to the fact that receipts, though less than last year, are showing less than the usual seasonal decline. Storage stocks are also slightly above last year and consumer demand is weaker.

Receipts of dressed poultry at 4 markets during March were 18.7 million pounds as compared to 20.2 million pounds a year ago and a 5-year average of 17.3 million pounds. Last year, March receipts were less than January receipts by 12.8 million pounds or nearly 40 per cent, while this year the decrease was only 4.7 million pounds, or 20 per cent.

Cold storage holdings of frozen poultry on April 1 were 74.5 million pounds compared to 70.0 million pounds a year previous and a 5-year average of 86.5 million pounds.

Apparent consumption, as indicated by trade output at the 4 markets is slightly less than a year ago; being 31.9 million pounds in March and 34.5 million pounds in March 1931.

LAMBS

The lamb market made further improvement during March which carried the level of lamb prices to the highest level since last September. The average price of good to choice lambs at Chicago during March at about $7.00 was about $.50 above the February average and about $1.30 above the low average of December. About the middle of March there was a sharp advance for two days that carried the top on fed lambs to $8.35, but during most of the month the top ranged from $7.50 to $7.75. Fat ewe prices also advanced in March with the top price at $4.50 about $1.00 higher than in January and $2.00 higher than at the low point last fall.

New crop lambs from Arizona and Texas moved to Middle Western markets in some volume in March. The average price of the first 6,500 "Arizonas" at Kansas City this year was $8.92 compared to the average of $10.72 on the first 8,300 head in March last year. All markets received limited supplies of native spring lambs for the Easter trade, most of which brought from $9.00 to $10.00, but after Easter the prices of these dropped sharply to a level about 50 cents above fed Westerns. Very few California early lambs reached eastern markets in March but the supply at California markets was fairly large, with a relatively good outlet there because of the reduced supply of fed lambs available. Prices for these lambs in California to the end of March were relatively high compared to prices for new crop lambs at Middle Western markets.

Supplies of lambs in March continued large but the increase was relatively smaller than for several months. Inspected slaughter at 1,428,000 head was 8 per cent larger than in March 1931 and 25 per cent above the 5-year March average. Slaughter in both February and January was 17 per cent above the corresponding months in 1931, and 33 and 39 per cent respectively above the corresponding 5-year monthly average. But slaughter in March 1932 was smaller than in February, whereas in most years March slaughter is larger.

Since 1920 there have been three years when March slaughter was smaller than February and in each of these three years April slaughter was smaller than March. If April slaughter is smaller than March this year it will be considerably smaller than April last year and April will be the first month since March 1931 when monthly slaughter has been below that of the corresponding month of the previous year. There are other indications that April slaughter will be below last year. The number of lambs on feed in Colorado and the Scottsbluff area at the end of March this year was smaller than a year earlier; the shipments of feeding and shearing lambs into the Corn Belt States were considerably smaller in February and March this year than last; the supply of early spring lambs in States that market in volume in April is not as large as last year; and weather and feed conditions in Texas were less favorable in March this year than last for finishing the yearlings and wethers that will move as grass fat stock, and the peak of this movement this year may be later than last, although the total movement is expected to be as large.

Weather during March was not favorable for developing the early lamb crop in any areas except California and Arizona. In the Middle West and Southeast, where feed supplies were abundant and cheap, the record cold weather during the first half of March resulted in above average death losses with

lambs born during this period but did not materially affect the lambs dropped previously. In the North Pacific States, where hay was short and high priced and ewes in rather poor condition, the cold wet weather in March resulted in considerable mortality both of lambs and ewes and tended to check the growth of the early lambs. In most early lambing areas soil moisture conditions about April 1 promised good pasture or range feed with the coming of seasonal warm weather.

WOOL

Business in the Boston wool market was decidedly slow during March and the early part of April and price declines were reported on all grades of wool. While the slowness of the market at this time is in part seasonal, the uncertain outlook in the goods market and the delay in opening lines of goods for men's wear has acted to prolong the quiet period for raw wool. The average price received for wool by producers in March 1932 was 12.5 cents per pound compared with 13.0 cents in February and 15.9 cents in March 1931. Fine strictly combing territory wool, scoured basis at Boston averaged 51 cents per pound for the week ended April 2 compared with 56 cents per pound for the first week in March. Three-eighths blood (56s) territory wool, scoured basis, was 43 cents per pound for the week ended April 2 compared with 48.5 cents per pound one month earlier.

Competition is fairly good in Australian selling centers. Price declines have been reported on superior grades of wool but inferior grades are steady. The market has been somewhat weaker at recent sales in New Zealand and prices of fleece wools are lower. The Bradford market was quiet during the past month. The Easter holidays caused a further slowing up of trade and prices of tops and yarn showed slight reductions. No change has been reported in continental activity which is still unsatisfactory.

Activity in the United States wool industry was low during the first quarter of 1932 and showed no tendency toward improvement as it did in the early part of 1931. Consumption of combing and clothing wool by manufacturers reporting to the Bureau of the Census for January and February was approximately 58.2 million pounds (grease equivalent) compared with 56.7 million pounds reported for the first two months of 1931 and 61.6 million pounds in 1930. For the two high months of July and August 1931 consumption totaled 86.2 million pounds. Imports of combing and clothing wool into Boston, New York and Philadelphia for the first three months of this year were 7 million pounds, slightly less than half the small imports of the first quarter of 1931.

Stocks of raw wool in the United States at the beginning of the new wool season on April 1, 1932 apparently were much smaller than at the same time last year. The increase of 22 million pounds in domestic production in 1931 was offset by a decline in imports of combing and clothing wool. The increase of 20 per cent in reported consumption thus served to reduce the heavy stocks of wool available at the beginning of the 1931 season.

The remainder of the large 1931-32 clip from Southern Hemisphere countries is being disposed of fairly well. The apparent supply available for disposal on March 1 in five Southern Hemisphere countries was estimated to be about 8 per cent above the quantity available at the same date in 1931. The movement from the Union of South Africa was unusually slow during the first half of the season but recently this has been greatly accelerated by the 25 per cent export subsidy announced by the Union Government in January. As a result South African wool is moving freely in competition with wool from other Southern Hemisphere countries. While stocks at selling centers in the Southern Hemisphere are above those of a year ago, they are not excessive.

Shearing of the 1932 wool clip is now progressing in Northern Hemisphere countries which usually produce about 30 per cent of the world's total output of combing and clothing wool. No official estimates are yet available for 1932. Although the January 1, 1932 estimate of sheep numbers for the United States showed a 2 per cent increase over 1931, reported heavy losses, principally of old ewes, in the Western Range States will tend to reduce the percentage to be shorn, while the below normal pasture and the poor condition of sheep will tend to reduce the yield of wool per head. In European countries, increased holdings of breeding ewes as indicated by 1931 estimates for the United Kingdom and France point to probable increases in sheep numbers and wool production in those countries in 1932.

COTTON

The recent decline in cotton prices which reduced the average of Middling 7/8 in the 10 spot markets from 6.65 cents per pound on March 11 to 5.90 cents on April 11 was probably more largely influenced by the decline in other speculative markets, particularly the stock market, than by developments in the raw cotton or cotton textile situation during this period. The textile mills of the world have, on the whole, been operating at a rate fully as high as during the first two months of the calendar year except in China and within the past two weeks the cessation of hostilities around Shanghai has resulted in more normal activity there. There have been no new developments of significance in the outturn of the 1931-32 crop nor in the outlook for the new crop.

The movement of domestic cotton to foreign countries continues at the highest levels since the 1914-15 season with the exception of 1926-27. The Orient continues to take record amounts and France is now taking larger amounts than a year ago. However, up to March 1 France took less than half as much American cotton as during the same period last season. For the month of March total exports to all countries amounted to about 927,000 running bales compared with 605,000 bales in March last year. France took about 87,000 bales of the March exports this year which was about 50 per cent above a year earlier. Exports to Japan during March were the largest on record for that month.

Exports of Indian cotton continues to run much below recent years and despite the fact that the prices of Indian cotton relative to American are now considerably cheaper than a few weeks ago there has been no improvement in foreign shipments. For the four weeks ended April 7 Indian exports were about one-third as large as during the corresponding period last season and from August 1 to April 7 this season they have been only 44 per cent as large as in the 1930-31 season. Receipts at Bombay have picked up some in the last few weeks and this may partly explain the greater weakness in the price of Indian cotton than in that of American. For the four weeks ended April 7 receipts of Indian were only 20 per cent below a year earlier whereas for the season to that date they were only about half as large as in the previous season.

Domestic cotton consumption during March of about 489,000 running bales showed an increase of 39,000 bales or 8.7 per cent over February which was about equal to the usual seasonal increase. In March last year consumption amounted to 491,000 running bales. For the eight months August through March total cotton consumption in the United States amounted to 3,570,000 bales compared with 3,384,000 bales during the same period last season which means an increase of 5.5 per cent. Compared with the same period in the 1929-30 season, however, there was a decrease of 17.3 per cent. The consumption of

American cotton during March amounted to 477,000 bales and was slightly larger than in March last year due to the fact that consumption of foreign cotton was less than a year ago. So far this season consumption of American cotton in the United States has been 221,000 bales or 6.8 per cent larger than from August to March last season. The domestic cotton cloth industry lost considerable ground during March when sales fell to the lowest levels for many months. Production and shipments were maintained so stocks increased and unfilled orders dropped sharply.

Reports from Great Britain indicate that there has been some decline in the demand for yarn and cloth, but mills continue to operate at levels higher than in the past year or two and deliveries of raw cotton to spinners have been fairly large. The improvement in the export movement of piece goods continued through March, but the increase in the foreign exchange rate of the English pound which has taken place recently and the weakening of the Chinese boycott against Japan are important factors in the foreign textile trade outlook for Great Britain. On the Continent where there has been a great deal of complaint about the competition from British textiles the situation may be relieved, to some extent, by the recent recovery in the pound sterling. The cotton textile mills in China are now going back to more normal activity since the cessation of military operations around Shanghai. Apparently the Chinese boycott against Japanese goods is not so effective as a few months ago, for cloth exports from Japan in February increased 21 per cent over January, and were 42 per cent above December. Yarn production in February in Japanese mills amounted to 234,000 bales of about 400 pounds compared with 229,000 bales in January, and 221,000 bales in August, and was the largest for more than two years.

The final ginnings report of the Bureau of the Census showed that the 1931 crop turned out to be about 17,061,000 bales of 478 pounds net or 500 pounds gross, only 0.85 of 1 per cent above the Crop Reporting Board's December estimate of production. In running bales the crop was 16,596,000 bales. The average gross weight of the bale this season of 514.0 pounds was the largest on record.

The 1932 cotton crop is now getting under way in the United States. Some cotton has been planted as far north as southeastern North Carolina, southern Arkansas, and north central Texas. In other sections preparations are now being made for the new crop and from all indications producers are again reducing their expenditures in response to low prices and incomes. This is being reflected particularly in the amount of fertilizer being sold in the Southern States. In addition, cotton farmers who made considerable shifts to food and feed crops last year evidently found it to their advantage and have indicated their intentions of increasing the acreage in such crops this year. During March sales of fertilizer tags in the eight most important cotton States (excluding Oklahoma) amounted to only 46.6 per cent of March 1931, 33.5 per cent of March 1930 and were the smallest for that month for more than a decade. For the four months December through March tag sales were 51.8 per cent less than during that period last season, 69.2 per cent below 1929-30, and were also the smallest at least since 1920-21 when these records first became available.

Business Statistics Relating to Domestic Demand

Year and month	Industrial production 1/ (1) 1923-1925 = 100	Factory payrolls 2/	Factory employment 2/	Commodity: At farms 3/	Commodity: U. S. Wholesale 4/: 1910-1914 =100	Commodity: U. S. Wholesale 4/: 1926=100	Commodity: Foreign 5/: In currency	Commodity: Foreign 5/: In gold	Interest rates 6/	Industrial stock prices 7/
1929										
June	125	110	102	135	139	95	94	96	6.00	315
July	124	109	102	140	141	96	94	96	6.00	344
Aug.	121	110	102	143	141	96	93	96	6.19	361
Sept	121	110	101	141	140	96	94	96	6.25	365
Oct.	118	106	100	140	139	95	94	96	6.19	321
Nov.	110	101	98	136	136	94	92	95	5.43	233
Dec.	103	98	95	135	136	93	91	94	5.12	247
1930										
Jan.	106	97	94	134	135	92	90	92	4.94	252
Feb.	107	95	93	131	133	91	88	90	4.68	268
Mar.	104	94	92	126	132	90	86	88	4.31	277
Apr.	104	95	92	127	131	90	86	88	3.88	288
May	102	93	91	124	130	89	84	86	3.73	269
June	98	91	89	123	127	87	84	85	3.54	239
July	93	85	86	111	123	84	83	84	3.16	232
Aug.	90	82	85	108	123	84	83	84	3.00	231
Sept	90	83	84	111	123	84	81	83	3.00	232
Oct.	88	78	83	106	121	83	80	81	2.92	196
Nov.	86	74	81	103	119	81	79	80	2.88	182
Dec.	84	73	79	97	116	80	78	78	2.88	170
1931										
Jan.	83	70	78	94	114	78	76	77	2.85	168
Feb.	86	72	77	90	112	77	76	76	2.63	181
Mar.	87	72	78	91	111	76	76	76	2.52	182
Apr.	88	72	78	91	109	75	76	76	2.38	162
May	87	71	78	86	107	73	74	74	2.20	143
June	83	68	76	80	105	72	74	74	2.00	138
July	82	67	75	79	105	72	74	73	2.00	143
Aug.	78	64	74	75	105	72	72	72	2.00	139
Sept	76	62	73	72	104	71	71	68	2.02	119
Oct.	73	58	70	68	103	70	72	66	3.50	102
Nov.	73	56	68	71	102	70	72	65	4.03	104
Dec.	74	55	68	66	100	69	72	61	3.88	81
1932										
Jan.	71	54	67	63	98	67	71	60	3.88	79
Feb.	70	52	67	60	97	66	71	60	3.84	80
Mar.				61					3.83	82

1/ Federal Reserve Board, 1923-1925 = 100. (1) adjusted for seasonal.
2/ Federal Reserve Board, 1923-1925 = 100, adjusted for seasonal.
3/ U. S. D. A., August 1909 - July 1914 = 100.
4/ Bureau of Labor Statistics. (new index of 784 commodities)
5/ Weighted average of indexes for eight foreign countries - United Kingdom, Canada, Japan, France, Italy, Germany, China and the Netherlands, 1926 = 100.
6/ The Annalist. Average of daily rates of commercial paper in New York City.
7/ Dow-Jones index is based on daily average closing price of thirty stocks.

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UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics
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THE PRICE SITUATION, MAY 1932

FARM PRICES

Lower prices for all groups of farm products except fruits and vegetables resulted in a decline in the general average of farm prices from 61 per cent of the 1910-1914 average on March 15 to a new low of 59 per cent on April 15. Individual price increases were recorded for apples, potatoes, hay, horses, mules and lambs. The increase in lamb and potato prices was in part due to a larger proportion of spring lambs and of new potatoes in the April price averages, as is customary at this time of the year.

Wholesale market prices of most farm products continued to decline during the second half of April and early May. The Bureau of Labor Statistics' weekly index of wholesale prices of farm products declined from 70.3 per cent of the 1910-1914 average for the week ended April 16 to 67.2 per cent for the week ended May 7.

The supply of farm labor on May 1 was nearly 2 per cent less than on April 1, while the demand for farm labor was practically unchanged during the month. The normal seasonal tendency is for the supply of farm labor to decrease and for the demand to increase in the month of April. The supply as a per cent of the demand, was 190 on May 1, compared with 152 a year ago, and 103 on May 1, 1929.

The index of prices paid by farmers in April was about 114 per cent of the pre-war average compared with 59 per cent for prices received by farmers. This indicates that twenty years ago "one wagon load of farm products" would have bought as much farm supplies as two wagon loads buy today.

THE GENERAL WHOLESALE PRICE LEVEL

The general level of wholesale prices in the United States for the week ended May 7 was 95.0 per cent of the 1910-1914 average, compared with an average of 96.4 for March and 111 for March 1931. Fuel and lighting products was the only group to advance in price during April.

An analysis of wholesale prices of 23 principal raw commodities by the National City Bank reveals that prices of raw materials have declined about 61 per cent from the 1925-1929 average, compared to a decline of 33 per cent in the Bureau of Labor Statistics' index of all wholesale prices. Ten raw materials have registered new all time low prices during this depression, namely: wheat, sugar, hides, rubber, silk, cocoa, copper, zinc, silver, and petroleum.

The monthly average of wholesale price in 8 foreign countries (1926=100) ranged from 60 to 61 on a gold basis for the four months December - March, and on a currency basis, ranged from 70 to 71 for the eight months from August to March, while wholesale prices in the United States (1926=100) declined from 72.1 in August 1931 to 66 for March 1932. In England, wholesale prices on a gold basis declined about 3 per cent from the last week in March to the first week in May, according to Crump's weekly index.

BUSINESS CONDITIONS

The declining trend in industrial activity in the United States during the first quarter of this year continued into April. According to the Federal Reserve Board, physical volume of output of factories and mines declined from 71 per cent of the 1923-1925 average in January 1932 to 69 in February and 67 in March. The decline continued during April, when such industries as iron and steel, textiles and automobiles failed to make their usual seasonal gains. There has recently been some increase in the demand for steel by automobile companies, but unfilled orders for steel decreased 145,000 tons in April to a new low of 2,327,000 tons on April 30.

Employment and factory payrolls were further reduced during April. During March, the last month for which published data are available, factory payrolls, at 50 per cent of the 1923-1925 average were 4 per cent lower than during February and about 33 per cent lower than during March 1931. Some of the largest steel producers announced a second wage reduction to go into effect after the first week of May, amounting to 15 per cent in addition to a 10 per cent reduction earlier in this depression. While this was taken, at least temporarily, as a favorable element by the speculative markets, it represents a weakening factor in the consumer demand for farm products, except in so far as it leads to a compensating increase in employment.

The outstanding developments of the past month are again to be found in the field of finance. The Federal Reserve Banks during April began a vigorous expansion of open market purchases of Government securities presumably with the intention of making sufficient funds available to member banks to permit them to reduce their borrowing from the Federal Reserve Banks and to make it easier for the member banks to increase their loans and investments. Prior to April the Federal Reserve Banks had purchased Government securities at the rate of 25 million dollars a week but at the end of seven weeks of such purchases, these operations were extended to about 100 million dollars per week. From the end of March to the first week of May their holdings were increased from 872 million dollars to 1,287 million dollars. Borrowings by member banks from the Federal Reserve Banks during this interval declined from 633 million dollars to 506 million dollars. Reporting member banks are apparently in a freer condition than formerly for their balances with the Federal Reserve Banks increased during the last part of April and first part of May. There was also an increase in net demand deposits in contrast with the previous declining trend. Member bank investments ceased declining and were actually slightly higher at the end

of April than at the beginning, but their loans on securities during April had declined about 4 per cent and loans for commercial and other purposes declined 1 per cent.

The financial operations have tended to reduce interest rates except on call money, the price of which continued at 2 per cent. Acceptance rates fell during the month from 2-1/8 to 7/8 per cent and prime commercial paper from 3.88 to 3.38 per cent. Industrial stock prices declined almost continuously from their latest peak on March 8, when the Dow-Jones index averaged 88.8 to 54.1 on May 5. Some recovery on May 6 was mostly lost during the next two days. Bond prices declined from the middle of March to the middle of April and were about steady thereafter.

In trying to appraise the significance of the recent financial developments and the probable effect of the vigorous credit expansion policy of the Federal Reserve Banks on domestic business activity and prices, it must be borne in mind that even though credit is available from the Reserve Banks and from local banks the extent of its use will depend upon the willingness and ability of business men to use the credit when obtainable. Increased employment and an improved demand for farm products may, therefore, be expected to follow and lag behind improvement of credit conditions in so far as such changes result in increasing business opportunities.

WHEAT

Most classes of cash wheat in the United States averaged a little higher in price during April than in March. This represented some strengthening of cash prices relative to futures, as futures showed virtually no change in their average level. Prices both in the United States and at Liverpool strengthened during early April following reports of serious damage to winter wheat in the United States. During the latter part of April there was a decline which was nearly as great as the previous rise. The decline was coincident with a sharp upswing in the total shipments from exporting countries.

Though market prices of cash wheat averaged a little higher in April than March, the United States average farm price as of the 15th of the month was slightly lower, being 43.1 cents per bushel compared with 44.2 cents for March. The average price of all classes and grades of wheat at 6 markets was 60.1 cents per bushel in April compared with 57.8 cents for the previous month. Most classes of wheat also averaged slightly higher in April, No. 2 Hard Winter at Kansas City and No. 2 Red Winter at St. Louis being approximately 2 cents higher and No. 1 Dark Northern Spring at Minneapolis 1 cent per bushel higher. No. 2 Amber Durum at Minneapolis, however, declined from an average of 78.4 cents for March to 71.5 cents per bushel for April.

The May forecast of winter wheat production was a little smaller than that of a month previous, being 441 million bushels compared with 458 million bushels forecast as of April 1. Late April rainfall in the drought affected regions of the winter wheat belt proved helpful some places, but

elsewhere the crop was beyond recovery, and the net benefit of the rains was not sufficient to offset the deterioration which took place early in the month. The present forecast of 441 million bushels compares with last year's production of 787 million bushels. The area for harvest is estimated to be 32,277,000 acres compared with 41,009,000 acres harvested last year.

In the spring wheat regions of both the United States and Canada where there was deficient fall rains, moisture conditions have been quite generally improved by April rains. There is apparently still a lack of subsoil moisture, however, and yields will consequently be greatly dependent upon rainfall during the remainder of the season. By and large, there is as yet little to indicate whether yields will be below or above average. An average yield of spring wheat on an acreage about equal to that of last year together with a winter wheat crop equal to that forecast would result in a total crop of somewhat less than 700 million bushels. This would be but little more than usual domestic utilization.

Remaining supplies of wheat available for export or carry-over in the principal exporting countries are nearly as large as those of a year ago. Supplies in the United States, Canada, Argentina and Australia, together with United Kingdom port stocks and quantities afloat, are estimated at about 778 million bushels as of May 1 compared with 799 million a year earlier. These estimates are of course subject to error through errors of the production estimates on which they are based, but no very material changes seem possible except in the case of supplies available in Southern Hemisphere countries. In addition to the countries included in the above total, Russia and the countries of the lower Danube Basin need to be considered. Russian exports during May and June of last year amounted to a little over 5 million bushels, while present indications are that some net imports may be necessary this year. In the surplus producing countries of the Danube Basin indications also point to smaller supplies than a year ago, the reduction apparently amounting to about 5 million bushels. Unless estimates for the Southern Hemisphere are significantly in error, consequently, total exportable supplies are below those of a year ago.

Though no comprehensive figures of supplies in the principal importing countries are available, indications point to their being at a low level. In the United Kingdom port stocks are at a level higher than usual, but port stocks in the United Kingdom are always small relative to the rate of consumption, so that the high level of stocks does not indicate the likelihood of any great curtailment of imports into that country. On the Continent of Europe, on the other hand, especially in Germany, stocks of wheat appear to be very low and to indicate that substantial purchases are to be expected, especially if easier financing can be arranged.

World shipments during the past four months have averaged 15.8 million bushels weekly, seldom dropping as low as 14 million and seldom rising as high as 18 million. During late April and early May, however, there was a marked rise in the level of shipments and for the first week of May they totaled 20 million bushels. This rise is somewhat similar

to the one which took place in May of last year following temporary reductions in import restrictions similar to the reductions which have been made this year. Last year total shipments during May and June averaged 17.7 million bushels weekly compared with 14.8 million weekly during the previous four months.

The new crop year is near enough at hand that fairly definite indications are available as to the size of the carry-over into the new year, and some early indications are available as to the production of winter wheat. A large carry-over out of the current year is assured for the world outside Russia, though it is likely that there will be some reduction as compared with the carry-over as of July 1, 1931. The great bulk of this carry-over will be in 2 exporting countries, the United States and Canada. Prospects of winter wheat production in the United States give fairly definite indication that there will be little wheat available for export from this country except by reason of the large carry-over, whereas in Canada winter wheat is of little importance and the spring wheat crop is not far enough along to give any indication as to the amount of exportable surplus which it will provide. Seeding of spring wheat in Canada has been delayed by the cold, wet weather. Moisture conditions are better than for the past three years, and the seed bed is in good condition for germination. Intentions to plant reports indicate that the area sown will be about 24 million acres - a decrease of somewhat less than 1 million acres, though some private reports indicate that a larger acreage is being sown.

The winter wheat acreage in Europe (aside from Russia) as now reported is about 2 million acres less than last year. France, Italy and Germany have seeded larger areas but decreases have occurred in other countries, principally in the Danube Basin. The late spring has delayed the development of the winter crop and has hindered spring seeding. Conditions in Italy are generally favorable but French reports note complaints of continued cool wet weather. The condition in Germany on May 1 as officially reported was above average and slightly above last year. In Rumania and Yugoslavia the crops are generally satisfactory but less favorable conditions are reported in Hungary and Bulgaria.

Preliminary forecasts of the production in the 3 North African countries total 74 million bushels as compared with 69 million bushels harvested in 1931. Larger crops are forecast in Algeria and Tunis but a smaller harvest is expected in Morocco. Production in these countries, however, is of more significance to the durum situation, than to the general level of wheat prices.

In India where the wheat area was increased from 31,582,000 to 33,907,000 acres, only a small increase in production is indicated. The first official forecast of the 1932 wheat production in that country is 348 million bushels as compared with 347 million bushels, the corresponding estimate of the 1931 crop. As a rule changes in the Indian crop do not result in nearly as great a change in her exports, and exports from the 1931 crop will apparently total only about 5 million bushels, of which only about 1 million will be overseas shipments.

As a result of the very small yields harvested in 1931 and delayed seedings this year, Russia appears likely to be a smaller factor in the world wheat market during the 1932-33 season than in either the 1930-31 or the 1931-32 seasons. The shortage of supplies in Russia seems likely to prevent large exports being made from the early harvest of the winter wheat regions, and it is only these regions which are readily accessible to seaports.

A comparison of daily changes in the prices of futures at Chicago and Liverpool discloses a general tendency during recent weeks for the Liverpool market to lead Chicago in the upswings of prices and for Chicago to lead Liverpool in the downswings. Meanwhile, Chicago prices, especially the near futures, have declined relative to Liverpool. Thus during January and February, May futures at Chicago averaged about 2 cents per bushel above Liverpool compared with 1 cent below in April and more than 3 cents below on May 11. The greater strength of the Liverpool market may be attributed on the one hand, to a more direct effect upon that market of improved continental buying and of the prospect of decreasing Southern Hemisphere supplies; and, on the other hand, to a less direct effect of the increase of currently available supplies in the United States markets. Somewhat less than 100 million bushels of cash wheat is now being withheld by the Grain Stabilization Corporation from the United States market compared with about 155 million bushels of unsold cash wheat holdings as of February 1, the reduction being quite largely due to the 40 million bushels which have been made available to the Red Cross.

A continuation of present price trends would place Chicago prices in a more normal relationship to Liverpool, Chicago prices ordinarily being 10 or more cents per bushel under Liverpool at times when the United States can export freely. During the current season, however, considerable exports have been made at narrower margins, partly because United States wheats have been selling at higher prices in the Liverpool market than have certain other wheats deliverable on the Liverpool futures contracts.

CORN

During April and early May there were further declines in corn prices. The declines were in spite of continued restricted receipts and have resulted in a new low level of prices for the season.

The United States average farm price as of April 15 was 31.4 cents per bushel compared with 32.2 cents a month previous and 57.7 cents per bushel on the corresponding date last year. There was a similar decline in the price of No. 3 Yellow at Chicago which averaged 32.5 cents during April compared with 33.2 cents during the previous month and 58.3 cents per bushel during April 1931. The general trend of prices during April continued slightly downward and during the first week of May No. 3 Yellow at Chicago averaged 30.6 cents per bushel.

Receipts at 14 primary markets amounted to only 10.2 million bushels during April compared with 17.2 million for the corresponding month of last year and an average of 17.0 million bushels for that month of the past five years. Total receipts for the six months, November to April, have amounted to 67.8 million bushels this season compared with 121.4 million during the corresponding period last season and a 5-year average of 155.2 million bushels. Commercial demand has been very poor, and despite the low level of receipts, commercial stocks have declined only slightly since their peak for the season of 23.0 million bushels was reached at the close of March. The reduction in the use of corn as a diary cattle feed is discussed in recent issues of The Dairy Situation. Stocks on April 7 amounted to 22.3 million bushels compared with 17.9 million on the corresponding date of last year and an average of 26.4 million for the corresponding date of the past five years.

During the past four months, corn prices have not shared in the temporary upswings of wheat prices. Instead of fluctuating throughout the period around approximately the same level as have wheat prices, corn prices have sagged slowly, but fairly steadily to lower levels. As a result corn prices have declined relative to wheat. At Chicago, the ratio of No. 3 Yellow corn to No. 2 Hard Winter wheat is now lower than it has been at any time since the spring of 1927. With corn planting now in progress the time is at hand when the market will be considerably dependent upon new crop prospects. Corn planting in general is considerably later than average, planting having been delayed in the upper Mississippi Valley by frequent rains and wet soil.

TOBACCO

The movement of leaf tobacco into domestic consumption and export continues at a reduced rate. The declines, which apparently have been due mostly to the current depression, have been greater in the case of exports than of consumption, but all types of tobacco have been adversely affected. This is resulting in an accumulation of stocks to carry over into the next marketing season, which is an important factor in the outlook for the 1932 crop.

Exports of flue-cured tobacco for the period July to March 1931-32 totaled only 245 million pounds. This is 27 per cent less than the quantity exported during the same months of 1930-31 and 19 per cent below the 5-year average, 1925-26 to 1929-30. For Kentucky-Tennessee fire-cured, the second most important export group, the October to March exports of 29 million pounds in 1931-32 were 26 per cent less than a year earlier and 41 per cent below the 5-year average, 1925-26 to 1929-30. In the case of Virginia fire-cured tobacco exports from October to March were 21 per cent larger than the record small shipments of 1930-31, but 33 per cent less than the 5-year average 1925-26 to 1929-30.

A special survey by the Bureau of Agricultural Economics on the condition of tobacco plants in the flue-cured States indicates a material loss of plants in seed beds due to the effects of March freezes and blue mold infection. Flea bugs, also, apparently have been more prevalent than usual. Although many beds were reseeded the loss from the above causes has resulted in a scarcity of good plants and some delay in transplanting. The damage has been most severe in Georgia, Florida, South Carolina, and eastern North Carolina with lesser damage in the old belt areas of Virginia and North Carolina. However, the extent of this damage is not known as yet, so that the amount of reduction in acreage, if any, which will be caused by it cannot be definitely determined. According to the March 1 reports on intentions-to-plant growers were then planning to reduce acreage for flue-cured tobacco about 27 per cent below the acreage harvested in 1931.

POTATOES

New potato prices advanced sharply during April due to the greatly reduced market supply. After weakening in the first part of April, prices of old potatoes also advanced.

Shipments of new potatoes totaled 1,412 cars in April, or 55 per cent less than the 3,086 cars shipped in April 1931, and 62 per cent below the 5-year average shipments.

With this greatly restricted supply of new potatoes, prices advanced from $3.10 per cwt., for Florida Spaulding Rose No. 1 at New York City on April 1 to $5.15 per cwt., on May 6. At Chicago, the price for Texas Bliss Triumphs advanced from $2.87 per cwt., on April 1 to $4.50 per cwt., on May 5. This increase in price was reflected at shipping points, with an advance at Hastings, Florida, from $2.01 per cwt., on April 1 to $4.40 per cwt., on May 5. The rise in f.o.b. prices at Brownsville, Texas was not as great as at Hastings, Florida.

Old potato shipments continued heavy during April at 19,732 carloads, compared with 18,075 cars in April, 1931, and a 5-year average of 16,158 cars. Weekly shipments of all potatoes were heavy the first two weeks of April but dropped off during the last two weeks, with a further decrease during the first week of May. At New York City, prices for Maine Green Mountain potatoes advanced slightly from $1.18 per cwt., on April 1 to $1.22 on April 30 compared with the monthly average price of $2.01 per cwt., for April, 1931. At Chicago, prices declined from 83 cents per cwt., for Wisconsin Round Whites and $1.35 per cwt., for Russet Burbanks on April 1 to 80 cents and $1.30, respectively, on April 30. By May 6, however, prices of these potatoes had advanced to 85 cents and $1.37 respectively, compared with $1.17 and $1.57 a year ago. Shipping point prices at Presque Isle, Maine, dropped from 52½ cents per cwt., f.o.b. on April 1 to 47 cents on April 11, then advanced to 70 cents by April 26, followed by a decline to 65 cents on May 6.

During the next few months prices will be largely affected by the movement of early potatoes. Relatively high prices in Texas and Florida look good to the early potato growers, who may thereby be encouraged to hasten shipments. Prices for old potatoes at Chicago in May, 1931 averaged around $1.40 per cwt., compared with $1.07 for April, 1932.

The May 10th production forecast, based on crop conditions as of May 1, indicates a production of 9,904,000 bushels in the 8 early States; a reduction of 44 per cent from the 17,611,000 bushels produced in these States last year. Yields per acre were expected to average nearly one-fifth less.

During the past eleven years early potato prices have generally followed a downward trend from May through July, except in 1921, 1925 and 1929. In these years July prices of new potatoes averaged higher than June prices, and in 1925 they equalled June prices. In these years the early potato acreage in the South was small. The reduction this year was large, amounting to 29 per cent in the early potato States and 27 per cent in the intermediate States.

RICE

Milled rice prices in California and in the Southern Belt were lower during April than for March. Fancy Blue Rose at New Orleans was quoted at \$2.12½ on May 9 compared with \$2.37½ per hundred pounds on April 4. Blue Rose rough at Louisiana mills was quoted at \$1.80 to \$2.00 per barrel on May 9 compared with \$1.80 to \$1.90 a month earlier. Fancy California-Japan at San Francisco was quoted at from \$2.35 to \$2.40 per hundred pounds on May 9 compared with \$2.50 to \$2.55 on April 4. No. 1 Brown was quoted at \$2.00 per hundred pounds on May 9 compared with \$2.20 to \$2.25 a month earlier.

Southern Belt

Stocks of rough and milled rice in millers hands on May 1 were reported to be the equivalent of 175,700,000 pounds of milled rice or 1,757,000 barrels of rough rice compared with 136,300,000 pounds of milled or 1,363,000 barrels of rough a year earlier. Stocks of rough in all positions were reported to be heavier on May 1 than a year earlier.

The movement of rough rice from farms to mills was 599,000 barrels during April compared with 813,000 barrels during March and 563,000 for April 1931. The April movement of milled rice into consuming channels was somewhat smaller than the March movement. Shipments from mills during April totaled 74,000,000 pounds compared with 76,500,000 pounds during April 1931. Shipments to Porto Rico during April totaled about 14,000,000 pounds compared with 21,000,000 for March and 15,000,000 for April, 1931. Total Porto Rico movement for the crop year to May 1 amounted to about 157,000,000 pounds compared with 175,000,000 for the corresponding period last year. Exports through Southern ports during April totaled about 23,000,000 pounds which was about 6,000,000 pounds below the March movement. For the crop year to May 1, exports through Southern ports have totaled about 155,000,000 pounds compared with 169,000,000 for the corresponding period last year.

There has been a decline in exports of American grown rice during the current season to practically all of the principal foreign countries. The reduced buying of South American countries has been especially significant. Cuban imports of American rice, however, have been increasing. Imports of United States rice into Cuba for the months August 1931 to March 1932 totaled 11,395,000 pounds compared with 823,000 pounds for the corresponding period last year. An increase in the Philippine import duty on rice is to become effective January 1, 1933. The present rate on head rice is 68 cents per 100 pounds whereas the new rate will be \$1.36. Rice grown in the United States is admitted free of duty.

Net annual imports of rice into the Philippine Islands during the last ten years have averaged about 140,000,000 pounds, practically all of which has come from the southern Asiatic countries. The increase in Philippine import duty should favor imports of American rice until Philippine production increases considerably.

California

Shipments of California rice to Hawaii during April were smaller than the movement to that market during March but about the same as the movement for April 1931. The total movement of California rice to Hawaii for the crop year to May 1, was about 61.5 million pounds compared with 66 million for the corresponding period last year. The movement of California rice to Porto Rico for the current season to May 1 has accounted for a larger percentage of the total shipments to that market than was the case last year. Exports of California rice during April totaled only about 300,000 pounds which was below the movement of April 1931.

The price relationship between Tokyo and San Francisco is more favorable for the export of California head rice to Japan than it has been before during this season. The price, in terms of United States currency of middle quality brown rice at Tokyo was \$2.27 per hundred pounds on April 25. The price of No. 1 Brown at San Francisco on that date was \$2.12.

HOGS

The decline in hog prices which began in mid-March continued with little interruption through April and the first two weeks in May. For the week ended May 7, the average price of hogs at Chicago was \$3.53 per hundred pounds, the lowest weekly average for more than thirty years. The average for April was \$3.85 as compared with \$4.33 in March, and \$7.25 in April last year. The steady decline in prices during April was due to an increase in marketings and a continued weak foreign and domestic demand.

The seasonal reduction in marketings which got under way in early February was checked in late March, and supplies increased during April when fall pigs began to move to market in large numbers. The number of hogs slaughtered under Federal inspection, amounting to 3,714,000 head, was 1.4 per cent larger than in March, 6.5 per cent larger than in April a year ago, and was the fourth largest April slaughter on record. The average weight of hogs slaughtered at 7 principal markets was about 2 per cent smaller than in April 1931. Inspected slaughter during the first seven months of the current marketing year which began October 1, 1931 totaled 30,372,000 head, which was 5.9 per cent larger than that of the corresponding period in 1930-31.

Fresh pork prices at New York advanced during the first half of April, but declined sharply during the last half. Cured pork prices were steady to lower during the month, and lard prices declined to the lowest level since in 1900. The composite wholesale price of the principal hog products at New York averaged \$11.35 per hundred pounds in April compared with \$12.02 in March and \$17.86 in April last year.

Storage holdings of pork and lard increased 10 million pounds during April compared with an increase of 40 million pounds in April last year. Total stocks of pork on May 1, amounting to 797 million pounds, were about 5 million pounds, or 1 per cent larger than on April 1, but they were 8 per cent smaller than on May 1, 1931 and 6 per cent smaller than the 5-year May 1 average. Stocks of lard, amounting to 111 million pounds, were 5 per cent larger than on April 1 and 16 per cent larger than on May 1 last year, but they were 16 per cent under the 5-year average.

United States exports of both pork and lard decreased during March. Lard exports during the month amounting to about 44 million pounds, were 34 per cent smaller than in February and 25 per cent smaller than in March last year. Total pork exports in March were 7 per cent smaller than in February, 44 per cent smaller than in March 1931, and were only about one-third as large as the 5-year March average. Shipments of pork and lard from the principal ports of the United States during April indicated that total exports of pork for that month were somewhat larger than in March, but that a further reduction had occurred in lard shipments.

The restricted foreign outlet for hog products during recent months together with the conservative policy followed by packers in their storage operations, has resulted in a larger than usual proportion of the supply of hog products being moved into domestic consuming channels. The total dressed weight of hogs slaughtered under Federal inspection during the first half of the current marketing year was only about 2 per cent larger than in the corresponding period of a year earlier, but the apparent domestic consumption was 6 per cent larger.

The market movement of hogs from the 1931 spring pig crop has been about completed, and the movement of the fall pig crop, which began a little earlier than usual this year, is now well under way. The peak of this movement is usually reached in late May or early June, and after that time, supplies generally fall off until about mid-September. Slaughter supplies from May to September are expected to be considerably larger than those of the corresponding months in 1931. Marketings of the fall pig crop last year began even earlier than they did this year. Inspected slaughter from May to September 1931 was unusually small, being 9 per cent below the 5-year average for that period, and the second smallest in ten years.

The size of the 1932 spring pig crop is as yet uncertain. Weather conditions in the Corn Belt this spring have been less favorable for farrowing than in either 1930 or 1931. It is unlikely, therefore, that the number of pigs saved per litter will be as large as in the last two years. The December pig survey indicated that if farmers carry out their intentions to about the same extent that they usually have, the number of sows to farrow in the Corn Belt States this spring would be somewhat smaller than the number that farrowed last spring. Recent reports indicate that the continued low level of hog prices, and the unfavorable relation between hog prices and corn prices in the drought affected areas of the Corn Belt may result in a sharper reduction in the spring crop in those areas than that indicated by the December survey. In most of the eastern and southwestern Corn Belt where feed supplies are relatively large, there are no indications that farmers are departing from their intentions expressed in December to a greater extent than usual.

CATTLE

Cattle prices made some recovery during the first two weeks in April, from the low point reached the last week in March, but during the last half of April prices again declined. For the last week in April the weekly average price of all beef steers at Chicago was again back at almost the low point of the year; the average weekly price of choice steers at $7.50 was the lowest of the year and but a few cents above the low average reached in May 1931; the average price of common steers, however, held a part of the early April advance, but was below the average reached in the low week last May. Prices declined further in the first week in May, with the average price of each grade below the low point of May 1931 and the weighted average of all grades back to the low point of February.

Prices of other kinds of slaughter cattle during April followed the movement of beef steer prices but in the last week of April were still somewhat above the low price reached early in February. Prices of stocker and feeder steers were fairly steady during most of April but declined in the last week of April in sympathy with the weakness of beef steers. Veal calves made a temporary recovery from the low level at the end of March but most of this was lost before the end of April.

While the movement of prices of most kinds of slaughter cattle during April was fairly normal for the season, the market as a whole during the latter half of the month undoubtedly reflected the general weakness in nearly all prices, and particularly the weakness in other livestock prices. Supplies of both cattle and calves in April were small. The 20 per cent decrease from April 1931 in the receipts of cattle at 7 leading markets, however, was only accompanied by a 6 per cent decrease in inspected slaughter. While a part of this disparity can be explained by smaller shipments of stocker and feeder cattle from markets, much of it seems to have been due to an increase in slaughter at points other than the 7 markets, probably at plants that are not getting their supplies at any public markets. At least this conclusion seems to be indicated by a study of receipts, slaughter and shipment from all markets in March and inspected slaughter at different points in that month. The slaughter of calves, after being above the corresponding months of 1931 in February and March, was 9 per cent less in April this year compared with a year ago.

Supplies of beef steers at Chicago in April were the smallest for the month in the eleven years for which records are available, being only about 75 per cent as large as in April 1931. The combined number of good and choice steers was the second smallest for April in eleven years while the supply of common steers was the second largest in eleven years. In spite of these small supplies the average price of beef steers was the lowest for the month in twenty-one years.

While the supply of fed cattle is expected to continue small during the next few months, a seasonal increase in grass cattle can be expected within the next sixty days, and the usual seasonal price adjustments between grain fed and grass cattle will probably begin in June.

BUTTER

Butter prices during April were the lowest in 25 years. Butter production in March was larger than in March 1931, but the increase was not as great as in the preceding months, and during the latter part of April reports indicate that production was less than a year earlier. With poor pastures and reduced feeding of grain, milk production per cow on May 1 was about 7 per cent lower than a year ago. This decrease in milk per cow more than offset the 3 to 4 per cent increase in numbers of cows on farms, so that the total milk production on May 1 was about 4 per cent less than on May 1, 1931.

Creamery butter production in March of 127.3 million pounds was 1.9 per cent larger than in March 1931. This was the smallest increase over the corresponding month of the preceding year since October, and compares with increases of 8.9 per cent in February and 2.8 per cent in January. The increase in creamery butter production from February to March was less than the usual seasonal increase, and the index number of butter production (adjusted for seasonal variation 1925-1929 = 100) declined from 124 in February to 118 in March. Weekly reports during April indicated that butter production was less than a year ago.

Production of the other manufactured dairy products in March was decidedly less than a year earlier and the total milk equivalent of manufactured production in March was slightly less than a year earlier. The index number of factory production of dairy products (adjusted for seasonal variation) stood at 116 in March as compared with 122 in February, 131 in December (the preceding high), and 96 in the drought period in August 1931.

Milk production per cow in herd on May 1, as reported by crop correspondents of 14.65 pounds, was 7.3 per cent less than a year ago and approximately 7 per cent less than on any May 1 since 1926.

Production of milk per cow was curtailed by reduced grain feeding, because of unfavorable prices and feed shortage in the area most seriously affected by last summer's drought. On April 1 grain fed per cow was about 10 per cent less than a year earlier.

Poor pastures have also tended to reduce milk production per cow. On May 1 the condition of dairy pastures at 74.2 per cent of normal, was about 10 per cent below average for that date. The condition on May 1 was the second lowest reported for that date in over 30 years. During the summers of 1930 and 1931 pastures were unusually poor because of widespread drought.

The price of 92 score butter at New York in April averaged 20.1 cents per pound, the lowest for any month since May 1906. The price in April averaged 2.5 cents lower than in March and 6.0 cents lower than in April 1931. The decline in price from March to April was more than the usual seasonal decline and the index number of butter prices, adjusted for seasonal variation, declined from 71 in March to 67 in April. The farm price of butterfat on April 15 of 17.8 cents per pound was 1.7 cents lower than a month earlier and 8.6 cents lower than a year earlier.

The movement of butter into consumptive channels during March was 2.9 per cent less than in March 1931. Current production was somewhat larger than a year earlier but the out-of-storage movement was lower. The retail price of butter on March 15 of 29.5 cents per pound was about 21 per cent less than a year earlier.

Cold storage holdings of butter on May 1 of 10.4 million pounds were 6.8 million pounds less than on May 1, 1931 and 12.5 million pounds less than on May 1, 1930. During the 1931-32 out-of-storage period the price of 92 score butter at New York, weighted by the monthly out-of-storage movement, averaged 30.2 cents or 6.4 cents higher than the price during the into-storage period. This was the widest margin since the 1927-28 season. During the 1930-31 season the price during the out-of-storage period averaged 0.4 cents lower than during the into-storage period, and in 1929-30 about 1.8 cents lower.

In 1931 the net movement into-storage from May 1 to the peak of storage holdings was only 14.6 per cent of production during the normal into-storage period, May 1 to September 1, as compared with 18.0 per cent the preceding year and a 5-year average of about 21.0 per cent.

Imports of butter during March of 81.1 thousand pounds were 19 per cent less than a year earlier. On May 5 the price of 92 score butter at New York, 20.0 cents per pound, was 5.8 cents higher than the official quotation in Copenhagen, on a gold basis, and 2.2 cents higher than Danish butter in London, and 4.0 cents higher than New Zealand butter in London.

CHEESE

Cheese production continues lower than a year ago. Less surplus milk is being used for cheese production and milk production per cow in the important cheese producing sections is less than a year ago. The demand for cheese is also low and prices have made somewhat more than the usual seasonal decline.

Cheese production in March of 33.7 million pounds was 10.6 per cent less than in March 1931. This decrease in cheese production compares with a decrease of about 25 per cent in the production of condensed and evaporated milk and an increase of about 2 per cent in creamery butter production. American cheese production in New York State in March was 57 per cent less than in March 1931. There was relatively little surplus milk in the fluid milk territories, and practically no surplus milk was being used in producing cheese. In the other Northeastern States the decrease in cheese production was about 16 per cent. The decrease in Wisconsin was about 8 per cent. In the East North Central States, except Wisconsin, production was 6.0 per cent greater and in the South Central States, 20 per cent greater than a year earlier. The increase in production from February to March of 18 per cent was less than the usual seasonal increase of about 23 per cent.

The ruling price of cheese (twins) on the Wisconsin Cheese Exchange declined from 10 cents on March 25 to 8.5 cents on April 15, but advanced to 9.0 cents on April 29. The average price during April of 9.1 cents was 0.9 cents lower than in March and 3.0 cents lower than in April 1931. The price in April was the lowest since August 1904.

The movement of cheese into consumptive channels during March of 45.1 million pounds was 7.4 per cent less than a year earlier. The retail price of cheese on March 15 of 23.8 cents per pound was about 21 per cent lower than on March 15, 1931.

Cold storage holdings of American cheese on May 1 of 38.9 million pounds were about 5.9 million pounds less than one year earlier, and 6 million pounds less than two years earlier, but about 17 per cent greater than the 1925-1929 May 1 average. During the 1931-32 out-of-storage season the price of twins on the Wisconsin Cheese Exchange, weighted by the monthly out-of-storage movement, averaged 11.1 cents per pound, which was the same as the average price during the into-storage period. During each of the three preceding seasons the price during the out-of-storage period averaged less than during the into-storage period. During 1931 the net movement of cheese into-storage from May 1 to the peak of holdings was 13 per cent of the production during the normal storage period from May 1 to September 1. During 1930 the movement into-storage was 21 per cent of production compared to the 1926-1930 average of 22 per cent.

Imports of cheese during March of 4.8 million pounds were about 3 per cent larger than in March 1931. For the first quarter of 1932, however, imports of 12.1 million pounds were about 6 per cent less than for the same period of 1931.

EGGS

Egg prices rose slightly during April and early May as receipts continued low. The primary factor unfavorable to a greater rise in price was the weak demand for eggs for storage, which was due largely to uncertainty both with regard to the future course of supplies during the year and to the unfavorable business situation.

The price of mid-western special packed eggs at New York averaged 16.7 cents during April, compared to 16.4 cents in March, and by May 9 had risen to 18 cents. The price in April 1931 was 20.9 cents. The farm price of eggs was 10.2 cents on April 15, a slight decline from the preceding month.

Receipts of eggs at 4 markets during April were 1,842,000 cases, the lightest for the month since 1920 compared with receipts of 2,394,000 cases in April last year and a 5-year April average of 2,478,000 cases. While the decline in receipts was general throughout the country it was somewhat greater in the commercial poultry regions than in the Central Western States. Both egg production per hen and the numbers of hens have declined below levels of the previous year so that there is a possibility of receipts continuing light during the next few months.

Storage stocks of case eggs on May 1 were 3.0 million cases compared to 5.2 million cases a year ago and a 5-year average of 5.0 million cases. Eggs commonly go into storage until August, but those of best quality are usually stored in April or early May.

POULTRY

Though poultry receipts have continued to decline during the last three months, the farm price of chickens has remained at 12.6 cents from February 15 to April 15, compared with 16.7 cents on April 15, 1931. A weak demand has tended to prevent the normal seasonal rise in chicken prices from January to April or May.

Receipts of dressed poultry at the 4 markets (New York, Chicago, Boston and Philadelphia) during April were 15.0 million pounds as compared to 17.1 million pounds a year ago and a 5-year average of 16.2 million pounds. Hens and pullets in farm flocks are reported to be somewhat less than a year ago. Commercial hatchery reports indicate that the number of chickens hatched this spring is also below that of last year.

Storage stocks of dressed poultry on May 1 were 56.6 million pounds compared to 45.9 million a year ago and a 5-year average of 62.1 million pounds.

LAMBS

Prices of fed lambs, which advanced gradually from the end of January through March remained at the March level during the first half of April, but declined rather sharply during the second half of the month. This decline carried the average weekly price of good and choice fed lambs at Chicago for the last week in April, at $6.47, back to the level of early February, with the practical top on fed wooled lambs at the low point of the week at about $6.50. The decline amounted to from $.75 to $1.00 on different grades of fed lambs.

Prices of spring lambs strengthened somewhat during the first three weeks in April. During the last few days before the Greek Easter, there was a good demand for light weight native springers resulting in a sharp price advance. During the latter part of April, however, spring lambs declined about as much as fed lambs and early in May good to choice springers were bringing about 75 cents more than corresponding grades of fed wooled lambs. Slaughter ewe prices, which had advanced nearly $2.00 a hundred from early January to the end of March, lost nearly all of this advance in the last two weeks of April with the top on choice light ewes at Chicago early in May down to $2.25.

Supplies of lambs in April continued large, but compared with the corresponding month of 1931, were relatively smaller than for the three preceding months of 1932 when similarly compared. Receipts at 7 leading markets in April were 12 per cent smaller than April 1931, but inspected slaughter was a fraction of a per cent larger and the largest for the month on record.

Supplies of fed lambs at Middle Western markets apparently were about as large as in April last year, but the supplies of California spring lambs and of Texas sheep and lambs were smaller. The eastward shipments of California lambs during the last two weeks of April were large, but the total movement to May 1 was about 80,000 head smaller than last year. The movement in May will probably be no larger than in May last year. Less favorable feed conditions in Texas this year than last delayed shipments somewhat from that State in April, but good rains the latter part of the month and early in May are expected to improve feed conditions materially and result in heavy shipments during May and June. The April supply of Texas grass sheep, however, was large enough to break the fat ewe market the latter part of the month. Marketings of spring lambs from the Southeast apparently were larger in April this year than last.

The number of lambs in feed lots in Colorado and western Nebraska were somewhat larger about May 1 this year than a year earlier. Shipments to Middle Western markets from California and Idaho in May and June will probably be smaller than last year, but marketings of early lambs from the native sheep States and of sheep and yearlings from Texas are expected to be larger than a year ago.

WOOL

Trading in the Boston wool market has been unusually small in the past month. The volume of business transacted has scarcely been sufficient to establish prices. Quotations are largely nominal and are considerably lower than one month ago on all grades. For the week ended May 7, fine (64s, 70s, 80s) strictly combing territory wool, scoured basis, was quoted at 45½ cents a pound compared with 50 cents a pound for the first week in April. Three-eights blood (56s) wool was quoted at 39.5 cents the first week of May compared with 42½ cents a pound one month earlier. Prices paid to producers averaged 11.1 cents a pound in April 1932, while in March the average was 12.5 cents a pound and in April 1931 producers averaged 15.6 cents a pound. The margins of domestic over foreign prices have declined to low levels and are well below an import basis on the principal grades of wool.

Following the period of recovery from the low levels of last August activity in the British wool textile industry is slowing down. The increase in business activity after Great Britain abandoned the gold standard, improved consumer demand for wool goods within the country, and the prospect of rising prices encouraged trade buying. Also, some anticipated an improved export trade because of the depreciated exchange. The improvement in export trade in woolen tissues has been very moderate and the increase in mill activity appears to have overtaken the improvement in consumer buying. The temporary tariff of 50 per cent on imports resulted in a considerable shift in orders from continental mills to the mills of Great Britain. In recent weeks uncertainty regarding the wool schedule in the new tariff of the United Kingdom made the position of manufacturers uncertain. The definite decision will at least end the uncertainty, although the rates of 20 per cent on tissues and 10 per cent on yarns to replace the recent 50 per cent levy on these products is considerably lower than those sought by wool manufacturers. Prices for

wool at the April sales in London were 5 to 10 per cent below March quotations. Continental markets show uncertainty as a result of renewed price declines. The regular selling season in Australia will close this month, but clearing sales will be held at some centers during June. Prices were fairly steady at the Sydney sales the first week of May.

The consumption of combing and clothing wool by United States manufacturers reporting to the Bureau of the Census in March was only 22,972,000 pounds (grease equivalent), the lowest monthly total reported since June 1924. Reported consumption in February was approximately 28,533,000 pounds (grease equivalent) and in March 1931 was 30,895,000 pounds. Only 37.9 per cent of the total number of wide looms were active at some time during March.

With wool prices so low there is little interest in foreign wools which must pay a duty of 34 cents a pound clean content. Imports of combing and clothing wool into Boston, New York and Philadelphia for the first four months of 1932 were only 8.1 million pounds compared with 18.1 million pounds in the same period of 1931 and 33.0 million pounds in 1930.

Prospects continue to indicate a 1932 world clip about equal to the large one of 1931. Prospects for the Southern Hemisphere clip may be changed by conditions in the coming winter but sheep numbers increased in 1931 and grazing has been good, especially in Australia. There has been little incentive to liquidate sheep numbers owing to the low prices prevailing for mutton and lamb and for other farm products. In the United States sheep and range conditions on April 1, 1932 were the poorest in several years although sheep numbers on January 1 showed a 2 per cent increase over last year. Stocks of wool in Southern Hemisphere countries at the beginning of April were considerably above last year but not as large as at the same date of 1930 when stocks in Australia were unusually large.

COTTON

The average price of American cotton in domestic markets moved irregularly during the first half of April but showed little net change. During the last half of April, however, there was considerable weakening and on the 29th and 30th they dropped about 1/2 cent per pound, the average of the 10 markets reaching 5.34 cents per pound on April 30 the lowest point reached since early last October. By May 7 prices had advanced to 5.58 cents but by May 13 they had dropped back to 5.34 cents which was 0.59 cents below the average for April 13.

Domestic exports of raw cotton during April were at the highest levels for the corresponding period since 1921-22 with the exception of 1926-27 and were 39 per cent larger than in April 1931, and 56 per cent larger than April two years ago. The 545,000 bales exported during April as reported by the Bureau of the Census brought the total for the nine months to 7,397,000 bales, which was about 1,487,000 bales or 25 per cent more than during the like period last season and larger than for any corresponding period since 1926-27.

France and Germany are the only two large consumers of American cotton who have not taken more American cotton this season than during the nine months ended April 30, 1931, and to these countries exports during the past two or three months have been larger than during the same period last year. While most foreign countries have been consuming larger amounts of American cotton than last season the increase in exports has been on the whole larger than the increase in consumption, some countries replenishing stocks and other accumulating supplies for

future use. The record supplies of domestic cotton in conjunction with the reduced crops in India, China, Egypt, and many of the smaller producing countries have been important factors contributing to the increased exports from the United States this season. Exports from India so far this season have been the smallest for more than a decade and during March and April dropped to the lowest levels for like periods for perhaps two decades.

The domestic cotton textile industry which for many months this season showed material improvement over a year earlier has recently found it necessary to curtail production due to the low sales. During March sales of cotton cloth dropped to the lowest levels for almost two years and in terms of the rate of production were the lowest for the four years for which comparable records are available. Total consumption of raw cotton in domestic mills during April amounted to about 367,000 running bales, a decrease of 121,000 bales or 25 per cent compared with March and was 142,000 bales or 28 per cent less than in April 1931. This brings the total consumption for the nine months this season to 3,937,000 bales which is still slightly more than in the same period in 1930-31.

In Great Britain, there have been several labor disputes and while these have not been particularly significant, it is said to have created some uncertainty in the situation. Many prospective purchasers of cotton textiles are said to have postponed their buying feeling that there may be a further reduction in textile prices following the decline in cotton. However, cotton consumption in Great Britain is considerably above a year ago. In France, the textile industry has for some time been in a much more serious condition than a year earlier. Activity and unfilled orders have been considerably lower and stocks much higher. In early March some improvement was reported with sales increasing and some decrease in stocks taking place. More recently, however the improvement was reported as having stopped. Textile activity in Germany and some of the other continental countries has been higher this season than last and several of the countries where activity has been about the same as last season have been consuming more American and less foreign cotton. On the whole there has been no marked change reported for the Continent.

Japanese yarn production in March was maintained at a level about equal to that of the previous month and at a level higher than any month prior to that for about two years. Exports of cloth from Japan made a material increase during March, increasing from 108 million square yards in February to 148 million square yards in March compared with 89 million in January and 76 million in December. The March exports of cloth were the highest since the middle of the 1929-30 season. This evidently reflects an easing up of the Chinese boycott. China used record amounts of American cotton during the first half of the season, but in February and March activity among the mills in China dropped to low levels due to military disturbances. At present more normal operations are reported and considerable quantities of American cotton are again being consumed.

For the five months December through April fertilizer tag sales totaled 41 per cent less than last season, almost 60 per cent less than in 1929-30 and considerably lower than during any corresponding period for more than a decade. In April, fertilizer tag sales in the eight States amounted to 769,000 short tons, which was an increase of 201,000 tons or 35 per cent over sales in March, but was still 20 per cent below April 1931, according to data released by the National Fertilizer Association. Ordinarily there is a decrease from March to April which during the past ten years has averaged about 52 per cent.

Business Statistics Relating to Domestic Demand

Year and month	Industrial production 1/ 1923-1925 = 100	Factory payrolls 1/	Factory employment 1/	Commodity: At farms 2/	Commodity: 1910-1914 = 100	U. S. Wholesale 3/ 1926 = 100	Foreign 4/ In currency	Foreign 4/ In gold	Interest rates 5/	Industrial stock prices 6/
1929										
June	125	110	102	135	139	95	94	96	6.00	315
July	124	109	102	140	141	96	94	96	6.00	344
Aug.	121	110	102	143	141	96	93	96	6.19	361
Sept.	121	110	101	141	140	96	94	96	6.25	365
Oct.	118	106	100	140	139	95	94	96	6.19	321
Nov.	110	101	98	136	136	94	92	95	5.43	233
Dec.	103	93	95	135	136	93	91	94	5.12	247
1930										
Jan.	106	97	94	134	135	92	90	92	4.94	252
Feb.	107	95	93	131	133	91	88	90	4.68	268
Mar.	104	94	92	126	132	90	86	88	4.31	277
Apr.	104	95	92	127	131	90	86	88	3.88	288
May	102	93	91	124	130	89	84	86	3.73	269
June	98	91	89	123	127	87	84	85	3.54	239
July	93	85	86	111	123	84	83	84	3.16	232
Aug.	90	82	85	108	123	84	83	84	3.00	231
Sept.	90	83	84	111	123	84	81	83	3.00	232
Oct.	88	78	83	106	121	83	80	81	2.92	196
Nov.	86	74	81	103	119	81	79	80	2.88	182
Dec.	84	73	79	97	116	80	78	78	2.88	170
1931										
Jan.	83	70	78	94	114	78	76	77	2.85	168
Feb.	86	72	77	90	112	77	76	76	2.63	181
Mar.	87	72	78	91	111	76	76	76	2.52	182
Apr.	88	72	78	91	109	75	76	76	2.38	162
May	87	71	78	86	107	73	74	74	2.20	143
June	83	68	76	80	105	72	74	74	2.00	138
July	82	67	75	79	105	72	74	73	2.00	143
Aug.	78	64	74	75	105	72	72	72	2.00	139
Sept.	76	62	73	72	104	71	71	68	2.02	119
Oct.	73	58	70	68	103	70	72	66	3.50	102
Nov.	75	56	68	71	102	70	72	65	4.03	104
Dec.	74	55	68	66	100	69	72	61	3.88	81
1932										
Jan.	71	54	67	63	98	67	71	60	3.88	79
Feb.	70	52	67	60	97	66	71	60	3.84	80
Mar.	68	50	66	61	96	66	71	61	3.83	82
Apr.				59					3.73	63

1/ Federal Reserve Board, 1923-1925 = 100, adjusted for seasonal.
2/ U.S.D.A., August 1909-July 1914 = 100.
3/ Bureau of Labor Statistics. (new index of 784 commodities)
4/ Weighted average of indexes for eight foreign countries-United Kingdom, Canada, Japan, France, Italy, Germany, China and the Netherlands, 1926 = 100
5/ The Annalist. Average of daily rates of commercial paper in New York City.
6/ Dow-Jones index is based on daily average closing price of thirty stocks.

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UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics
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THE PRICE SITUATION, JUNE 1932

FARM PRICES

The general average of prices paid to producers of farm products on May 15 was 56 per cent of the 1910-1914 average, compared to 59 per cent on April 15 and 86 per cent on May 15, 1931. The exchange value of farm products for the goods which farmers usually buy is now only about 50 per cent of the 1910-1914 average. Fruits and vegetables was the only group of farm products to register a price rise from mid-April to mid-May; the index of poultry product prices being unchanged, while prices of all other groups declined. Meat animals registered a greater price decline than any other group. Of the 24 major agricultural products, only 3, viz, potatoes, apples, and eggs, increased in their farm price from April 15 to May 15.

Wholesale prices of several farm products, particularly grains, cotton, and potatoes, have declined further since mid-May. The Bureau of Labor Statistics' weekly index of wholesale prices of farm products for the week ended June 4, made a new low at 64 per cent of the 1910-1914 average, compared to 67 per cent for the week ended May 14.

THE GENERAL WHOLESALE PRICE LEVEL

The general level of wholesale prices in the United States for the week ended June 4 was 93.4 of the 1910-1914 average. This was the seventh consecutive week during which the wholesale price index has declined. Fuel and lighting is the only group with higher prices now than two months ago. Grains and textiles have contributed most heavily to the general price decline in early June. Cotton prices have reached the lowest level in over 75 years, wool prices have declined to the lowest in this century, and silk prices have declined to the lowest level on record.

The Index of wholesale prices in currency in 8 foreign countries declined 3 per cent from March to April, making a new low in April at 69 per cent of the 1926 average. This is equivalent to 60 per cent on a gold basis, compared to 66 per cent for the United States.

BUSINESS CONDITIONS

Although some lines of activity showed improvement during May compared with April, the general trend of trade, industry and the buying power of consumers continued downward. The chief developments were of a financial nature. The Federal Reserve Banks continued to purchase Government securities to make additional funds available to member banks, but in recent weeks these purchases have been in smaller volume. Committees of bankers and business men have been appointed in several financial centers to facilitate the use of the additional

funds which have been made available. European countries again withdrew a considerable amount of gold from this country for export or earmark. Prices of industrial stocks and bonds declined during the month to new low levels. Bond prices in the first half of June, however, advanced and offset a portion of the decline experienced in May.

Industrial activity in general during May was probably somewhat below the level reached in April when, according to the Federal Reserve Board, it was only 64 per cent of the 1923-1925 average compared with 88 per cent a year earlier. Building contracts awarded were again increased from the very low levels of last March but these were chiefly in public works and utilities; residential contracts showing somewhat more than the usual seasonal decline. Automobile production was larger in May than in April, and still greater during the first week of June. This served to increase steel production during May but by the first week of June, steel output was close to the former low levels. Pig iron and coal production were sharply reduced. The production of textiles and shoes was also reduced to conform to a reduction in the volume of sales. These developments have undoubtedly further reduced payrolls and employment from the low level of April. In that month the Federal Reserve Board Index of factory payrolls after allowing for seasonal variations declined 5 per cent to 47.9 per cent of the 1923-1925 average.

The purchases of Government securities by Federal Reserve Banks have increased the total holdings of these banks as of June 1 to about $1,600,000,000 which is about twice as much as their holdings in February, when the policy of increased security purchases was initiated. Member banks have further reduced their borrowings from the Federal Reserve, but have not yet increased their loans for commercial purposes or on securities, both of which have in fact been further curtailed. Investment holdings have been increased slightly and deposits have ceased to decline. A very rapid withdrawal of gold from the United States developed during May and reduced the monetary stock of gold (reserves of the Federal Reserve Banks) about 260,000,000 dollars, but this was offset in its effects on the money markets by the increased purchases of securities by the Federal Reserve Banks.

This rapid movement of gold to Europe like that which developed last fall has been attributed by some to fears abroad concerning the value of the dollar. But according to the Federal Reserve Bank of New York (Monthly Review June 1) "A major part of the movement reflected a transfer abroad of central bank funds which had been employed in the New York money market; carrying further the tendency for central banks to concentrate their reserves in their own vaults instead of keeping a substantial part invested in foreign markets". In the second week of June there was a material strengthening of the dollar in terms of foreign exchange, which, if continued, would tend to reduce the volume of further gold exports.

The end of 1931-32 crop season finds the purchasing power of consumers at the lowest level so far in this depression, with a number of efforts, chiefly of financial character, being inaugurated to promote business revival. In marketing the 1932 crops during the next few months, farmers face the fact that while many industries have already made adjustments in their operating costs and selling prices to conform more nearly to the low state of consumer incomes,

other industries are still in the process of doing so. Another fact which will tend to retard recovery in the domestic demand for the 1932 crops is the tendency for consumers to withhold buying until their earnings have definitely increased.

WHEAT

Cash prices of most wheats in the United States averaged lower during May than in the preceding month. Through the first three weeks of May prices rose slightly from the low level they had reached late in April but in the last few days of May and the first three days of June there was a drastic decline which brought prices to the lowest level reached since last October. Futures prices at Liverpool showed an upward movement during most of the month of May, but declined during the last few days of May and the first week of June. The rise of futures prices at Chicago shortly after the middle of May was much greater than the rise at Liverpool as was also the subsequent decline.

The decline in wheat prices during the last few days of May and early part of June was apparently the result of a combination of unfavorable factors. Associated with the decline were the favorable outlook for the spring wheat crops of the United States and Canada; a general weakness of speculative markets which was shared by commodities and securities alike; the prospect of an increased carry-over in the United States as the new crop comes to market; and the tendency for European countries to tighten their restrictions on imports in anticipation of the harvest of their own new crops of wheat. The accumulating evidence that the United States carry-over will be larger than the record carry-over of last year and the prospect that a larger proportion of the carry-over will be in the hands of the trade than was expected earlier in the season, have had a tendency to weaken the United States market for the past three or four months. This has tended especially to weaken the cash market in the United States, but also to weaken Chicago futures relative to Liverpool. Chicago prices, however, are still higher than usual relative to Liverpool. This reflects the prospective shortness of the winter wheat crop as well as the fact that the Grain Stabilization Corporation still holds sufficient wheat to be an important factor in the market, especially the export market.

The United States average farm price as of May 15 was 42.4 cents per bushel compared with 43.1 cents a month previous and 59.9 cents in May 1931. At Minneapolis, No. 1 Dark Northern Spring and No. 2 Amber Durum declined from averages of 73.2 and 71.5 cents per bushel respectively in April to 71.7 and 67.5 cents per bushel for May. At St.Louis, No. 2 Red Winter declined from 57.0 to 55.9 cents per bushel. At Kansas City, on the other hand, No.2 Hard Winter was slightly higher, averaging 53.6 cents in May compared with 53.2 cents in the previous month.

The United States is about to enter the new crop year with the prospect of a winter wheat crop about 377 million bushels smaller than that of last year. Partially offsetting this decrease, however, will be an increase of about 40 million bushels in the July 1 carry-over, and an increase of an undetermined amount in the spring wheat crop. The winter wheat crop is now estimated at 411 million bushels, and the carry-over of domestic wheat in the United States as of July 1, appears likely to be about 360 million bushels compared with 319 million last year.

Last year's crop of all spring wheat in the United States totalled only 105 million bushels due to extremely low yields and heavy abandonment of spring wheat. This year the June 1 condition of all spring wheat is reported as 84.5 per cent of normal compared with a condition of 67.9 per cent a year ago and a 10-year average condition of 86.8 per cent. In the past, however, the June 1 condition of spring wheat in the United States has given very little indication of the subsequent yield so that about the best that can be said at the present time is that the spring wheat crop of 1932 is likely to have a much more nearly average yield than that of last year. Average yields this year would result in a spring wheat crop of about 250 million bushels or nearly 150 million bushels larger than was produced in 1931. Assuming, then, spring wheat yields are about average, present indications would suggest that total wheat supplies of the United States for the 1932-33 crop year may be about 200 million bushels smaller than those of the past year.

In Canada, where the great bulk of the crop is spring wheat, the general situation is quite similar to that in the spring wheat area of the United States. The condition of all wheat as of May 31 in Canada is reported to be 96 per cent of the long-time average, but in Canada, as in the United States, the spring wheat condition as of May 31 has, in the past twenty years, given no significant indication of the subsequent yield of the crop. Taking into account weather conditions to date, however, it seems reasonable to assume that Canadian yields may be slightly above average and that the total crop in that country may amount to somewhere in the vicinity of 475 million bushels compared with 304 million harvested in 1931. In the event of a yield in Canada and the United States such as suggested above, the total North American crop would be approximately 100 million bushels smaller than that of 1931.

In Europe, as well as in North America, there are indications of a somewhat smaller production of wheat than that of last year. For some time past there have been indications of a smaller production in the surplus producing countries of the Danube Basin. Acreage is apparently somewhat smaller for Europe as a whole, and recent reports indicate that early June weather has been distinctly unfavorable for the crops of western Europe. Cold wet weather will have a tendency to reduce the final yield and postpone harvest.

Altogether it now seems likely that production of wheat in the Northern Hemisphere (excluding Russia and China) is likely to be about 200 million bushels smaller than that of last year, and that the July 1 carry-over in the principal exporting countries together with United Kingdom port stocks and quantities afloat is likely to be smaller than that of last year by about 15 million bushels. In addition to a smaller carry-over and a smaller crop in the Northern Hemisphere outside Russia and China, there are indications pointing to a smaller volume of shipments from Russia during the summer and fall months. These were discussed somewhat more fully in the May issue of the Price Situation.

Smaller European crops would tend to increase the demand for wheat from surplus producing countries, and the demand for North American wheats would be especially increased by reduced supplies available from other exporting countries. But European importing countries continue to restrict imports of bread grains, and at the relatively high prices prevailing in these

countries no increase in consumption is to be expected. Imports of wheat into Oriental countries may continue large, but only at low prices. Disappearance of wheat through feed and waste in the exporting countries also are contingent upon the price level. Furthermore the new season finds the wheat market confronted with a much lower level of industrial activity and consumer incomes in the United States and in most other countries.

CORN

Corn prices held fairly steady and even showed some signs of strengthening during the first three weeks of May. During the fourth week, however, there was a decline which continued into early June and resulted in prices a little lower than those of early May, which were the lowest of the season. By the 10th of June there had been a slight recovery.

The United States average farm price as of mid-May was 30.2 cents per bushel or about 1 cent below the level of a month previous. Market prices for May also were lower than those of April; No.3 Yellow at Chicago averaging 31.4 cents per bushel compared with 32.5 cents in the previous month. The lower average for May was the result primarily of prices having been higher early in April. For the week ended May 6, No.3 Yellow at Chicago had averaged 30.6 cents per bushel compared with 32.6 cents four weeks earlier. For the second, third, and fourth weeks small advances were recorded with the result that the average for the week ended May 27 was 32.2 cents, but there was a decline to 30.7 cents per bushel for the week ended June 3.

Receipts at 14 primary markets during May totalled 6.5 million bushels compared with 10.8 million last year and an average of 15.0 million bushels in May of the past five years. Total receipts for the first seven months of the season have amounted to 74.2 million bushels compared with 132.2 million last year and an average of 170.2 million for the corresponding seven months of the past five years. The continued small marketings are primarily the result of low prices at the principal markets. Market prices have been low relative to farm prices in much of the Corn Belt as well as low relative to prices of past years and to transportation costs.

The low level of market prices has been due to poor demand. Poor feeding demand is the result primarily of low prices of livestock and dairy products. Industrial utilization has also been small as is indicated by wet process grindings. These amounted to only 4.9 million bushels in May compared with 5.6 million in May of last year and an average of 6.4 million bushels for the corresponding month of the past five years. Grindings for the seven months, November to May this season, have amounted to 37.1 million bushels compared with 38.8 million last year and an average of 47.3 million bushels for the past five years.

Commercial stocks of corn declined from their peak of 23.0 million bushels on March 26, to 20.9 million June 4. This decline, however, has been less than usual. The June 4 level of stocks compares with 10.9 million bushels a year ago and an average of 19.0 million for the corresponding date of the past five years.

From January to April corn prices exhibited a distinctly great weakness than wheat prices, declining fairly steadily while wheat fluctuated throughout the period at approximately the same level. Both wheat and corn shared in the late April decline, both were fairly steady during the first three weeks of May, though wheat showed somewhat more of a rising tendency; both decline during late May and the first few days of June. Altogether, however, corn prices have shown little independent weakness during April and May.

POTATOES

Prices of old crop potatoes during May remained fairly stable in the West North Central States, but declined sharply in the Northeast. New crop prices also declined sharply, the effect of the large supplies of old crop potatoes offsetting the influence of the smallness of supplies of the early crop.

The United States average farm price of potatoes on May 15 at 47 cents per bushel was practically the same as on April 15 but 40 cents lower than prices of a year ago. At Chicago, old crop potatoes from the North Central States remained around 85 cents per 100 pounds during the month with some increase during the first week of June, but prices of Idaho potatoes at Chicago declined about 20 cents from 1.34 to 1.14 cents between the first week of May and the first week of June. A similar decline occurred at New York, Maine potatoes averaging 1.20 cents for 100 pounds during the first week of May and only 94 cents during the first week of June. Prices at Presque Isle, Maine, during this interval dropped at the rate of about 10 cents per 100 pounds per week, to 30 cents per 100 pounds, compared with 65-70 cents a month ago. These price declines on Far Western and North Eastern potatoes reflect the large volume of shipments from those areas, part of which had been retained from the markets earlier in the season because of unsatisfactory prices. During the week ended June 4, late crop shipments amounted to 1,920 cars compared with only 511 a year ago.

Shipments of new crop potatoes during the week ended June 4 were seasonally larger, but only about half of the volume for the comparable week of a year ago. Prices, however, reflected both this seasonal increase and low prices of old stock. Prices of Florida potatoes at New York declined from $5.30 per 100 pounds during the second week of May to $2.50 during the first week of June, which is only slightly higher than prices a year ago when the southern crop was much larger than this year's small crop. Prices of South Carolina potatoes at New York declined from $3.75 per 100 pounds during the third week of May to $2.35 during the first week of June and prices of North Carolina potatoes are showing a continuation of that trend. Of the total early crop being grown this year, the commercial portion of the crop in 6 second-early States is now expected to amount to only 13,719,000 bushels compared with 18,651,000 bushels estimated produced last year. The forecasted commercial production for 5 intermediate States, as of June 1 is reported at 11,010,000 bushels compared with 10,140,000 bushels last year. While the marketings of the new crop have thus far been affected by the large supplies and low prices of northern potatoes, the balance of the early crop marketings, will meet with less competition as northern shipments fall off and become negligible by the end of June.

RICE

Rice prices in California and in the Southern Belt continued unchanged during May. Fancy Blue Rose at New Orleans averaged $2.12½ during May and the first week of June. Fancy Lady Wright averaged $2.87½ for the same period. Blue Rose rough at Louisiana mills was quoted at $1.60 to $2.00 per barrel on June 6, the same as a month earlier, whereas Lady Wright rough declined about

20 cents per barrel during the period averaging $1.70 on June 6. Fancy California-Japan at San Francisco was quoted at from $2.30 to $2.35 per hundred pounds on June 6, the same as a month earlier. No. 1 Brown averaged $2.00 per hundred pounds during May and the first week of June.

Southern Belt

The movement of rough rice from farms to mills was 702,000 barrels during May compared with 520,000 barrels during May 1931. The May movement of milled rice into consuming channels was somewhat smaller than the April movement, but about equal to that of May 1931. Shipments to Porto Rico during May totaled about 13,000,000 pounds, about 6,000,000 of which came from California. Total Porto Rico movement for the crop year to June 1 amounted to about 168,000,000 pounds compared with 190,000,000 for the corresponding period last year. Exports through Southern ports during May totaled about 20,000,000 pounds which was about 3,000,000 pounds below the April movement. For the crop year to June 1, exports through Southern ports have totaled about 176,000,000 pounds compared with 187,000,000 for the corresponding period last year.

Stocks of rough and milled rice in millers hands on June 1 were reported to be the equivalent of 174,900,000 pounds of milled rice or 1,749,000 barrels of rough rice compared with 127,800,000 pounds of milled or 1,278,000 barrels of rough a year earlier. The carry-over on August 1 is likely to be considerably larger than that of a year earlier.

Trade reports indicate an acreage planted in the Southern Belt ranging between 675,000 and 700,000 acres, or a reduction of from 18 to 21 per cent below the 1931 harvested acreage. Southern rice growers on March 1 intended to make a reduction in acreage planted this year of about 14 per cent under that harvested in 1931. Water supplies are reported to be ample and the condition of the crop favorable.

California

Shipments of California rice to Hawaii during May were slightly smaller than the movement to that market during April but about the same as the movement for May 1931. The total movement of California rice to Hawaii for the crop year to June 1, was about 69,000,000 pounds compared with 73,000,000 for the corresponding period last year. Exports of California rice during May totaled about 1,000,000 pounds which was considerably above the movement of the previous month, but somewhat less than the May 1931 exports.

The price relationship between Tokyo and San Francisco continues unfavorable for the export of California head rice to Japan. The price, in terms of United States currency of middle quality brown rice at Tokyo was $2.11 per hundred pounds on June 1. The price of No. 1 Brown at San Francisco on that date was $2.00.

HOGS

The seasonal decline in hog prices which started the third week in March continued without interruption until the last week in May when the weekly average price at Chicago reached $3.19. At the low point prices were at the lowest levels in more than 35 years. The decline in the weekly average from the March high point to the May low amounted to $1.35, or 30 per cent. The Chicago averag

for the month of May was \$3.34, or only slightly more than half of that of May last year. Prices recovered slightly during the first ten days of June and showed some indication of the beginning of a seasonal advance.

Hog slaughter under Federal inspection during May totaling 3,940,000 head, was the third largest on record for May and was almost 16 per cent larger than in May last year. This large increase is a reflection of the 20 per cent increase in the 1931 fall pig crop as shown by the December pig survey. The increase of more than 500,000 head in May, plus the accumulated increase for the seven months October to April, makes the increase in total slaughter for the first eight months of the current marketing year over the corresponding period of the previous year amount to 2,226,000 head or 7 per cent. Average weights in May at the principal markets were about 3 per cent less than in May last year.

Wholesale prices of pork declined through May but the decline in prices of cured pork was less marked than that in fresh pork prices. Lard prices also declined, reaching new low levels with prices of refined lard at Chicago down to $5\frac{1}{2}$ cents per pound. The average wholesale composite price of hog products in May was 40 per cent lower than in May last year and 7 per cent below that of April this year.

The export demand for American hog products continues very weak and promises to be weak throughout the summer. European hog slaughter continues at high levels and is not expected to show much reduction until next winter. Exports of pork in April were almost one-third less than in April last year and were less than half the 5-year April average. Lard exports were 20 per cent smaller than in April last year. Pork exports in May were stimulated by temporarily reduced Danish bacon supplies in British markets as a result of a suspension of hog slaughtering operations in Danish bacon factories during the first half of May. The suspension was due to labor disturbances over reductions in wages. The dispute was settled and slaughtering was resumed on May 12, however, and killings were at record levels during the third week in May.

Storage holdings of pork decreased 10 million pounds during May compared with a decrease of 40 million pounds in May last year and lard stocks increased 18 million pounds compared with an increase of 7 million pounds in May 1931. Total stocks of pork on June 1, amounting to 789 million pounds, were about 1 per cent smaller than on May 1, but were 5 per cent smaller than on June 1, 1931 and 3 per cent smaller than the 5-year June 1 average. Stocks of lard, amounting to 129 million pounds, were 17 per cent larger than on May 1 and 25 per cent larger than on June 1 last year, but were 8 per cent under the 5-year June 1 average. Packers apparently have made special efforts to move pork into consumption as rapidly as possible in order to avoid accumulating heavy stocks for the summer trade, and apparent consumption in May was considerably larger than in May last year.

The peak in the market movement of hogs from the fall pig crop is usually reached in late May or early June, and then supplies usually fall off until the second week in September when the spring pig crop begins to move to market. It appears now that the peak in the market movement of hogs from the crop of last fall was reached in May and that the seasonal trend in marketings will be downward until some time in September.

Total supplies available for slaughter during the next four months are indicated to be considerably larger than those slaughtered in the corresponding period last year. The time when these hogs move to market, and hence the total slaughter for the summer period, however, will be determined to a large extent by the policies followed by producers with respect to finishing and marketing their hogs. Because of the current low prices for hogs many producers may decide to carry their hogs on pasture and fatten them on grain for the fall market rather than finish them for the summer market. If this policy is carried out by a large proportion of hog raisers, the summer supply will be smaller than it would be if the usual feeding and marketing plans were followed, but it would result in increasing supplies for the fall market.

Last year, slaughter supplies were unusually small in June, July and August. Slaughter in June was the smallest for the month since 1918. Slaughter in July was the smallest July slaughter since 1920 and August slaughter was the second smallest for that month since 1920. September slaughter last year, however, was above average. If the distribution of slaughter supplies during the next four months should be normal and have the normal relationship to the slaughter of the last eight months, we could expect the total increase in slaughter for that period, over the corresponding period last year, to amount to around 1,500,000 head or about 13 per cent. However, as pointed out above, the market supply and its distribution during the next four months will be influenced to some extent by the action taken by producers with respect to their feeding and marketing plans.

CATTLE

Cattle prices declined further during the first half of May, reaching the lowest levels of this depression and the lowest in over twenty years in the week ended May 14. In that week the average weekly price of beef steers at Chicago went to $5.89, the only week that the weekly average has gone below $6.00. Compared with the low week of 1931, reached the last week in May, the average price of all beef steers was 79 cents lower, with the different grades ranging from 90 cents lower on common steers to 34 cents lower on choice steers.

Between May 1931 and May 1932 the declines in most other kinds of cattl were more marked than with beef steers. The decline in price of butcher heife ranged between $1.10 to $1.30 on different grades, beef cows between $1.25 and $1.50, bulls around $1.25, veal calves $2.40 and stocker and feeder steers $1.50.

From the low point in the second week of May beef steers made some recovery and by the end of the first week in June the weighted average price of all beef steers was back to the level of the first week in May; thus taking three weeks to recover the losses of the one week. The drop in prices in May was much less this year than last and the decline since the first of January has been more gradual and also much smaller both relatively and actually. From the first of last year to the low point in May 1931, the weekly average of all beef steers declined from $9.80 to $6.68 and choice steers from $14.01 to $7.49; this year the declines were from $6.82 to $5.89 on all steers and from $10.79 to $7.19 on choice. The decline in 1931 was so large that it wiped out all seasonal advance in the prices of lower grade beef steers and of butcher cattle which generally takes place during this period. This year the

movements were more seasonal although the advance on lower grade steers was relatively smaller than usual and butcher cattle prices declined.

Cattle supplies in May were small. During May this year compared with a year ago, receipts at 7 markets were $12\frac{1}{2}$ per cent smaller and inspected slaughter was 13 per cent smaller. Inspected slaughter was 14 per cent below the 5-year May average and the smallest for the month in eleven years. Calf slaughter was 6 per cent smaller than in May 1931 and also the smallest for May in eleven years. Supplies of beef steers at Chicago in May were but little different from a year earlier, with the proportion of better grades somewhat less, but the proportion of common was much less than in preceding months. As in other months of this year steers made up an unusually large proportion of the slaughter and most of the decrease in total slaughter was in cows.

The continuing small slaughter of cows and calves seems to indicate that cattle raisers, both beef and dairy, are disinclined to sell at prevailing low prices. Although this reduction in commercial cow and calf slaughter may have been accompanied by increased farm slaughter it is hardly likely that the latter can offset any large part of the former. If this situation continues through the balance of the year a further sharp increase in cattle numbers will take place which may carry the total of breeding cows close to the highest level ever reached in this country.

The relatively small slaughter of cattle in contrast to the relatively large slaughter of hogs and lambs during recent months has resulted in cattle prices being better maintained than either hog or lamb prices. Cattle prices are still above the level of 1911 and of most years preceding that year, while hog and lamb prices are at the lowest level of the present century. Comparing the inspected slaughter of the three species for the first five months of 1932 with the first five months of 1911 shows that cattle slaughter this year was only 11 per cent larger while hog slaughter was 50 per cent larger and lamb and sheep slaughter 42 per cent larger.

Shipments of stocker and feeder cattle from markets in May continued small. While there was a rather heavy movement of Texas cattle into Kansas and Oklahoma pastures in April and May, the movement of southwestern cattle to the northern plains and Rocky Mountain areas was light and the demand for stock cattle in those areas was very limited. Supplies of fed cattle during the next three months will be small and the market movement of grass fat cattle from all areas will probably be later than usual.

BUTTER

Butter production in April was less than a year earlier. The low price of butterfat has curtailed the feeding of grain to milk cows, and with poor pastures, the seasonal increase in butter production has been less than usual. The continued decline in business activity and payrolls, however, has curtailed the consumptive demand as well as the storage demand for butter and the decline in butter prices has been greater than the usual seasonal decline. In early June domestic butter prices were only 1 to 2 cents higher than prices in London.

Creamery butter production in April of 135.8 million pounds was 5.1 per cent less than in April 1931. This was the largest decrease from the corresponding month of the preceding year since July 1931. Production in April was only 6.7 per cent larger than in March as compared with the usual seasonal increase of about 11 per cent.

Crop correspondents reported average milk production per cow in their herds on June 1 as being 17.0 pounds or 3.4 per cent less than a year earlier, 6.5 per cent less than the unusually high production two years earlier, and the lowest for June 1 since 1925. On May 1, milk production per cow was 7.4 per cent less than a year earlier. Grain fed per cow on June 1, was 13 per cent less than on June 1, 1931. Crop correspondents reported milking 75.0 per cent of the cows in their herds on June 1. This was about average for that date. The number of milk cows on farms is from 3 to 4 per cent larger than a year ago, but with the decrease in milk production per cow, total milk production in May was probably less than in May 1931.

The condition of dairy pastures on June 1 of 78.3 per cent of normal was considerably below average for that date, but not as much below average as on May 1.

The price of 92 score butter at New York in May averaged 18.8 cents per pound, the lowest for any month since August 1904. The May price was 1.3 cents less than the April price and 4.9 cents lower than in May 1931. The farm price of butterfat on May 15 of 16.4 cents per pound was 1.4 cents less than a month earlier and 4.8 cents less than a year earlier. The May price was only 45 per cent of two years ago and 36 per cent of three years ago.

The movement of butter into consumptive channels during April of 134.6 million pounds was 6.3 per cent less than in April 1931. This decline in trade output and the decrease of 23.9 per cent in retail prices of butter indicate that consumer expenditures for butter in April were 29 per cent less than a year earlier. The decrease from the preceding year was 23 per cent in March and 18 per cent in February.

Cold storage holdings of creamery butter on June 1 of 29.3 million pounds were about 6 million pounds less than a year earlier. The movement of butter into storage during May of 18.9 million pounds was somewhat larger than the unusually light movement a year ago, but 6 per cent less than the 5-year average for May. The light into-storage movement indicates a conservative policy on the part of storage operators.

During the first three months of 1932, imports of butter into Great Britain and Germany were about 10 per cent larger than in the corresponding months of 1931. In April, however, imports were 16 per cent less than a year earlier. Low prices and tariff barriers have tended to check and to shift foreign trade. France and Italy are both importers of butter at the present time. Prior to 1930 exports of butter from France exceeded imports.

On June 9, the price of 92 score butter at New York of 17.5 cents was 4.6 cents higher than the Copenhagen official quotation, only 1.2 cents higher than Danish butter in London, and 1.9 cents higher than New Zealand butter in London.

CHEESE

Cheese production is decidedly lower than a year ago, and imports are also lower. Cold storage stocks of cheese while not unusually large were accumulated when prices were decidedly higher than at present. The into-storage movement of cheese in May was unusually light. General deflation in commodity prices and widespread unemployment have greatly curtailed the demand for cheese and the downward trend in cheese prices has continued.

Production of cheese in April of 35.8 million pounds was 18 per cent less than a year earlier and the smallest for April since 1927. Production in April was only 6 per cent larger than in March as compared with the usual seasonal increase of 18 per cent. The decrease in cheese production has been greater than the decrease in butter or evaporated milk production. In April, creamery butter production in Wisconsin was 6.3 per cent less than a year earlier while American cheese production was 16.5 per cent less.

The ruling price of cheese on the Wisconsin Cheese Exchange rose from 8.5 cents on April 22 to 9.0 cents on April 29, but declined again to 8.5 cents on June 3. The average price during May of 9.0 cents was only slightly lower than in April but 1.4 cents lower than in May 1931. The price in May was only 45 per cent of the price three years previous.

The movement of cheese into consumptive channels during April of 44.3 million pounds was 13.3 per cent less than in April 1931. The retail price of cheese in April of 23.3 cents per pound was about 20 per cent lower than a year earlier. The decrease in prices and trade output indicate that consumer expenditures for cheese in April were about 31 per cent lower than in April 1931. For March the decrease from the preceding year was 27 per cent compared to 21 per cent for February.

Cold storage holdings of cheese on June 1 were 40.5 million pounds; about 6 million pounds less than a year ago and about 13 million pounds less than the record June 1 holdings in 1930.

The net into-storage movement of American cheese in May of 1.5 million pounds was the lowest for May since 1924 and only 27 per cent as large as the 5-year May average (1927-1931). While stocks on May 1 of 39.0 million pound were about average, most of these stocks had been accumulated when prices were much higher than at present. The decline in prices during the last three years has resulted in a cautious policy in accumulating stocks.

Imports of cheese in April of 5.3 million pounds were about 19 per cent less than a year ago and the lowest for April since 1926.

EGGS

May egg markets failed to develop any definite price trend, but in early June quotations advanced $\frac{1}{4}$ to $1\frac{1}{2}$ cents with the better grades leading in the advance. The firmer market situation appeared to be primarily due to lighter receipts, although low storage stocks and a somewhat more active demand also played a part. In May, prices fluctuated irregularly, although within a narrow range. Sentiment at the beginning of the month showed evidence of increasing firmness, but turned easy as the period progressed with the result that prices later declined about 1 cent a dozen. The primary factors unfavorable to a stronger price situation were the continued indifferent demand of eggs for storage purposes and the continued low consumption in comparison with other years.

The price of mid-western special packed eggs in New York averaged 17.5 cent during May, in comparison with 16.7 cents during the previous month, and 20.1 cents during the corresponding month a year ago. On June 7 special packed eggs were quoted at $16\frac{1}{2}$ to 19 cents, standards at $15\frac{1}{2}$ to 16 cents, and rehandled receipts at $13\frac{3}{4}$ to 14 cents in New York. The farm price of eggs was 10.3 cents on May 15, representing an advance of 0.1 cent from the previous month, but a decline of 3.0 cents from the same date in 1931.

Receipts of eggs at the 4 markets during May totaled 1,907,000 cases, compared to 2,163,000 cases in May, 1931, and 5-year average May receipts of 2,320,000 cases. The decline in receipts was general throughout the country, but arrivals were relatively the lightest from the commercial poultry producing regions of the Pacific Coast. Further reductions in the size of the farm laying flock and light hatches in commercial hatcheries both indicate the probability of continued light receipts during not only the next few months but also the coming season.

Storage stocks of case eggs on June 1 totaled 5.4 million cases, compared to 7.9 million cases a year ago, and a 5-year average of 8.2 million cases. In addition 2.7 million case equivalents of frozen eggs were held in storage. This year a larger than usual proportion of the eggs that have gone into storage have been of the better grades as the trade has been adverse to storing eggs of low quality. This is just the reverse of conditions which prevailed during the past several years when larger quantities of low quality eggs were stored, making it impossible to dispose of the storage stocks at a reasonable price in competition with fresh eggs during the following fall and winter months.

POULTRY

Poultry prices were irregular during May and early June with a slight downward trend. Receipts of fresh dressed stock at the 4 markets (New York, Chicago, Philadelphia and Boston) amounted to 18,404,000 pounds, in comparison with 16,981,000 pounds during the same month in 1931, and 5-year average receipts of 18,676,000 pounds. Considerable criticism is being voiced at the irregular quality of the general run of receipts as a result of the low prices being paid for poultry at country points.

The farm price of live chickens on May 15 was 12.2 cents, a decline of 0.4 cent from the previous month, and of 3.7 cents from the same date a year ago. A weak demand, heavy receipts at terminal markets during recent weeks, and the resulting liberal stocks in warehouses have prevented the usual rise in chicken prices from January to May and June. Storage stocks of dressed poultry on June 1 totaled 44.7 million pounds, in comparison with 35.3 million pounds on the same date a year ago, and 5-year average June 1 stocks of 48.7 million pounds.

LAMBS

The decline in lamb prices which started about the middle of April continued through most of May and carried the level of lamb prices to the lowest point yet reached in this depression and to the lowest level of the present century. Although comparable prices for earlier years are not available it seems probable that never before in the history of the Chicago market did fed lambs sell as low as during the low point in May when the top on fed wooled lambs dropped to $4.75. At the beginning of the month the top was about $6.75.

The decline in spring lambs during May was about as severe as with fed lambs. California spring lambs sold up to $8.00 at Chicago early in May while at the end of the month top prices were down to $6.00, but there was probably some difference in quality. At the low point in May few native spring lambs sold above $6.00. Slaughter ewe prices did not change much during May from the very low levels reached in April, prices having reached about the minimum at which market shipments could be expected to be made.

Some recovery in lamb prices occurred during the first few days in June and a rather sharp advance took place during the second week. On June 6 prices were from $1.00 to $1.50 a hundred above the low point in May.

While supplies of lambs were large in May they were the smallest relative to the corresponding month of 1931 of any month this year. Receipts at 7 leading markets were only 90 per cent as large as in May 1931, but inspected slaughter was the same and 20 per cent above the 5-year May average. Because of the smaller movement of Texas sheep in May this year than last the proportion of lambs in the total slaughter was larger than last year.. Shipments from California to middle western markets in May were larger than seemed probable at the beginning of the month. Cool weather and frequent rains in May improved the feed situation materially and the early lambs in the sections where feed had been short made a good recovery. Up to the first of June shipments from Idaho were small. Moisture conditions in May in most of the western sheep States were good and range feed conditions for the early summer promise to be favorable.

Slaughter during the six months period December 1931 through May 1932 during which most of the fed lambs from the 1931 crop were marketed, was about 730,000 head, which is equivalent to a 9 per cent increase over the same period in 1930-31.

To some extent the results of the previous year's feeding operations effect the fall demand for feeding lambs. Because of the very low prices for fed lambs during both the early and late months of the past marketing season, lamb feeding as a whole during the past season was not a very profitable enterprise. It is doubtful if, on the whole, the net returns from the lambs fed, were much more than sufficient to cover costs of feeder lambs and value of feed used at current prices.

Because of the smaller number of early lambs in Idaho, Oregon and Washington this year than last it seems probable that in June and July receipts of early lambs at middle western markets will be below those of a year earlier, but that total inspected slaughter will not be greatly different.

WOOL

Wool prices declined materially during May, but wool sales were too limited to establish prices with certainty. On June 4 prices of strictly combing territory wools were 38 to 40 cents for fine, 32 to 34 cents for 3/8 blood, and 28 to 30 cents for 1/4 blood. The declines from May 7 amounted to 6½ cents on the first two grades and 4 cents on the last one. Grease wools on June 4 were mostly 15 to 16 cents for strictly combing lengths and 12 to 14 cents for clothing lengths. The United States farm price on May 15 averaged 9 cents, with State averages ranging from 6 to 14 cents per pound.

The London Wool Sales closed June 3 with further price declines and a carry-over of 106,000 bales, reflecting the generally unsatisfactory foreign trade and ample supplies. Ordinary 70s scoured basis were 13.6 cents below Boston prices of 64s, 70s, 80s; 56s were 13 cents below the Boston price, and 46s were 17.9 below the Boston price for the most nearly comparable grades.

The margins of domestic over foreign prices are well below the tariff rate of 34 cents per pound clean content and imports have become very small. Imports of combing and clothing wool into Boston, Philadelphia, and New York from January 1 to June 4 amounted to only 8.9 million pounds, compared with the already low imports of 20.6 million pounds for the like period last year. From the end of May until the first of January imports are characteristically low.

Receipts of domestic wool at Boston in the six weeks ended June 4 amounted to only 28 per cent of those for the corresponding period last year. This decline undoubtedly reflects a later shearing this season and a change in wool marketing procedure from the procedure that brought heavy receipts into Boston early in the season last year. It leaves large supplies yet to reach market and there is little evidence whether they will be sold gradually or forced on to an unwilling market. The peak in receipts of domestic wool at Boston usually comes in July.

Wool consumption in the United States, like the trading at Boston, has fallen to very low levels. Consumption of combing and clothing wool fell to 15.7 million pounds grease equivalent in April compared with 23.0 million in March and 35.8 million in April last year. From January through April consumption amounted to only 95.5 million pounds or 78 per cent of that for the like period in 1931. With the partial recovery in general business from

December 1930 to May 1931 the consumption of combing and clothing wool rose sharply from 24.5 million pounds in November 1930 to 43.5 million in July 1931. The present sharp decline reflects the recent decline in general business conditions and the acute reduction in consumer incomes.

Recovery in wool consumption usually comes quickly when business recovery gets under way, but it is doubtful that increases from the present low level will be sufficient by the end of the current year to prevent an increase in the carry-over. The domestic wool clip is nearly equal to normal domestic consumption. Disappearance of combing and clothing wool in this country for the past five years has averaged 457 million pounds and domestic production in 1931 was 435.4 million pounds. Consumption for the period January through April was only 73 per cent of the 5-year average. A moderate reduction in the 1932 clip is expected, but it will not offset a continued decline in consumption of such severity as the present one. As a result, wool prices need to be considered more in the light of prospects for carrying wool at a profit and less in terms of the price at which wool can be brought in over the tariff than has been the case in recent years.

COTTON

Further unfavorable developments occurred in the domestic cotton textile situation during May and total consumption of cotton declined 10 per cent below the reduced levels of April. In continental Europe unsettled political conditions have been a disturbing factor as have the labor difficulties in Great Britain. These factors in addition to the unfavorable developments in other speculative markets contributed to the further declines in cotton prices despite the increased mill activity in the Orient and the continued heavy exports of American cotton. Weather conditions recently have, on the whole, been favorable, but fertilizer sales have continued small.

Domestic consumption of raw cotton in May dropped to 332,000 running bales which was 35,000 bales or 10 per cent below April and 133,000 bales or 29 per cent below May 1931, according to data released by the Bureau of the Census. This was the smallest monthly consumption since 1920-21. For the ten months this season domestic consumption has totaled 4,270,000 bales compared with consumption during the like period last season of 4,358,000 bales. This is the first time this season that total consumption from the beginning of the season has not been larger than during the same period in 1930-31.

The textile situation in the Orient up to the end of April was much better than in most countries and mill activity in Japan was near record levels with spinners and weavers reported as making fair profits. Some Japanese manufacturers are said to be sold out to mid-August due largely to the strong export demand. On the Continent of Europe, political as well as economic conditions have recently disturbed conditions and in Lancashire, England, large unions have recently voted a strike which if carried out will affect 200,000 workers.

Exports of domestic cotton in May showed some seasonal decline but the total of 501,000 running bales for the month was about 49 per cent above May 1931, more than twice as large as May 1930, and the largest for the month since 1928 (Bureau of the Census data). This brought the total movement of American cotton to foreign countries for the ten months this season to 7,898,000 bales, which was 1,652,000 bales or 26 per cent above the corresponding period last season and was the largest for a like period since the (1913-14) season with the exception of 1926-27. Until April and May the Orient took much larger amounts of American cotton than a year earlier, but recently the increase over last year has been due mostly to larger takings by Great Britain and the Continent.

Weather conditions in the domestic Cotton Belt have on the whole been favorable for the development of the new crop during recent weeks, but fertilizer tag sales which in April were only 20 per cent below the same month last year dropped in May to 30 per cent below a year earlier in the 8 principal cotton States excluding Oklahoma. For the six months December through May tag sales in these States were 41 per cent below the like period in 1930-31 and were considerably smaller than in any corresponding period since prior to 1920-21.

Spot prices in domestic markets made further declines during the last half of May and early June, as a result of additional unfavorable developments in the cotton textile industry in the United States and Europe, and the discouraging general economic developments including the decline in the prices of stocks, bonds, and other speculative commodities. On June 9, Middling 7/8 in the ten spot markets averaged 4.76 cents per pound which was a new low for the season and compares with 7.62 cents on June 9, 1931. Spots in New York on June 9 were quoted at 5.00 cents which was 0.31 cents below the low of 1898. In New Orleans, however, the price on June 9 was 4.95 and in 1898 New Orleans spots went as low as 4.75 cents. Since June 9 cotton prices have recovered about 0.14 cents per pound, the ten markets averaging 4.90 cents on June 13. On May 13 the 10 markets averaged 5.34 cents, there having been a net decline for the month of 0.44 cents per pound. Despite the rather marked declines in American cotton and prices of Indian cottons are still relatively about the same as a few weeks back.

Business Statistics Relating to Domestic Demand

Year and month	Industrial production 1/ 1923-1925 = 100	Factory payrolls 1/	Factory employment 1/	Commodity prices: At farms 2/	Commodity prices: U.S. Wholesale: 1910-1914 =100	Commodity prices: U.S. Wholesale: 1926-=100 3/	Commodity prices: Foreign 4/: In currency	Commodity prices: Foreign 4/: In gold	Interest rates 5/	Industrial stock prices 6/
1929										
June	125	110	102	135	139	95	94	96	6.00	315
July	124	109	102	140	141	96	94	96	6.00	344
Aug.	121	110	102	143	141	96	93	96	6.19	361
Sept.	121	110	101	141	140	96	94	96	6.25	365
Oct.	118	106	100	140	139	95	94	96	6.19	321
Nov.	110	101	98	136	136	94	92	95	5.43	233
Dec.	103	98	95	135	136	93	91	94	5.12	247
1930										
Jan.	106	97	94	134	135	92	90	92	4.94	252
Feb.	107	95	93	131	133	91	88	90	4.68	268
Mar.	104	94	92	126	132	90	86	88	4.31	277
Apr.	104	95	92	127	131	90	86	88	3.88	288
May	102	93	91	124	130	89	84	86	3.73	269
June	98	91	89	123	127	87	84	85	3.54	239
July	93	85	86	111	123	84	83	84	3.16	232
Aug.	90	82	85	108	123	84	83	84	3.00	231
Sept.	90	83	84	111	123	84	81	83	3.00	232
Oct.	88	78	83	106	121	83	80	81	2.92	196
Nov.	86	74	81	103	119	81	79	80	2.88	182
Dec.	84	73	79	97	116	80	78	78	2.88	170
1931										
Jan.	83	70	78	94	114	78	76	77	2.85	168
Feb.	86	72	77	90	112	77	76	76	2.63	181
Mar.	87	72	78	91	111	76	76	76	2.52	182
Apr.	88	72	78	91	109	75	76	76	2.38	162
May	87	71	78	86	107	73	74	74	2.20	143
June	83	68	76	80	105	72	74	74	2.00	138
July	82	67	75	79	105	72	74	73	2.00	143
Aug.	78	64	74	75	105	72	72	72	2.00	139
Sept.	76	62	73	72	104	71	71	68	2.02	119
Oct.	73	58	70	68	103	70	72	66	3.50	102
Nov.	73	56	68	71	102	70	72	65	4.03	104
Dec.	74	55	68	66	100	69	72	61	3.88	81
1932										
Jan.	71	54	67	63	98	67	71	60	3.88	79
Feb.	70	52	67	60	97	66	71	60	3.84	80
Mar.	67	50	66	61	96	66	71	61	3.83	82
Apr.	64	48	64	59	96	66	69	60	3.73	63
May				56					3.27	53

1/ Federal Reserve Board, 1923-1925 = 100, adjusted for seasonal.
2/ U. S. D. A. , August 1909-July 1914 = 100.
3/ Bureau of Labor Statistics. (new index of 784 commodities)
4/ Weighted average of indexes for eight foreign countries- United Kingdom, Canada, Japan, France, Italy, Germany, China and the Netherlands, 1926 = 100.
5/ The Annalist. Average of daily rates of commercial paper in New York City.
6/ Dow-Jones index is based on daily average closing price of thirty stocks.

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UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics
Washington

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THE PRICE SITUATION, JULY 1932

FARM PRICES

The general average of prices received by producers of farm products declined to a new record low on June 15 at 52 per cent of the 1910-1914 average. At 52 per cent the index was 7 per cent lower than a month earlier and 35 per cent below a year earlier. The index of prices paid by farmers in June was 111 per cent of the 1910-1914 average. The average exchange value of farm products on June 15 for the products farmers usually buy, was only about 47 per cent of the pre-war average. Farm prices of livestock and livestock products are about 60 per cent of the 1910-1914 average, while farm prices of crops are about 44 per cent of the pre-war average. Except in so far as yields have changed, it now requires about two and one-half times as many acres of crops and nearly twice as many units of livestock as were required two decades ago to buy an equal amount of farm supplies.

Apples and eggs were the only major farm products to advance in price during the month ended June 15. Since mid-June, however, the trend of some farm prices presents a considerably brighter outlook. Hog prices have advanced sharply from their previous extreme low level. The prices of other livestock, cotton, and sugar have advanced in the past month.

The Bureau of Labor Statistics' weekly index of wholesale prices of farm products advanced from 63.7 per cent of the 1910-1914 average for the week ended June 18 to 67.5 per cent for the week ended July 9.

The index of the general level of farm wages showed a further non-seasonal decline of 7 points from April 1 to July 1, 1932. At 87 per cent of the pre-war level on the first of this month, farm wages were 29 per cent below a year ago, and hired farm workers were receiving the lowest monetary remuneration recorded since 1902. Wage rates per day without board ranged from $.55 in South Carolina to $2.60 in Massachusetts and Rhode Island and averaged $1.23 for the country as a whole. The decline of 7 points in the farm wage index from April 1 to July 1 of this year was in marked contrast to the usual seasonal advance in wage rates from planting to harvest time. The low prices received by farmers restricted the demand for hired farm labor.

The available supply of farm labor, as reported by crop correspondents, increased from 122.2 per cent of normal on April 1 to 123.6 per cent on the first of July. Although this change again appears to be slight, past relationships show that a given increase in supply results in a more than proportionate decline in wage rates. The supply of farm labor expressed as a percentage of demand was 199.2 per cent of normal on July 1 as compared to 193.4 three months earlier and 151.3 a year ago.

THE GENERAL WHOLESALE PRICE LEVEL

The general level of wholesale prices in the United States remained fairly stable during the month of June with a rising tendency due to higher prices for a few agricultural commodities and fuels during the last part of the month and first week of July. From the week ended June 4 to the week ended June 18 the Bureau of Labor Statistics weekly index, (converted to 1910-1914 base) declined from 93.4 to 93.0, the lowest point so far in this depression. Thereafter the index increased to 93.4 for the week ended June 25 and 94.6 for the week ended July 9. Farm products and foods advanced about 2 per cent in the last week of June due very largely to a response of livestock prices to sharply curtailed receipts. Prices of other groups, except fuels, showed very slight declines.

The recent marked check in the decline of commodity prices may be classed as the third since the decline set in in 1929. A slight recovery occurred during the summer months of 1930 after the all commodity index had declined about 20 per cent during the preceding year. A period of stability developed in the summer of 1931, following a second decline of about 20 per cent, while the latest period of decline ending with the third week in June amounted to only 15 per cent.

In England, as in the United States, prices receded to a low level in the third week of June, when Crump's index averaged 58.8 per cent of the 1926 level, compared with 61.8 per cent last September when England went off the gold standard. Following a slight rise in the last week of June, prices in England receded again, to 58.7 the lowest level so far in this depression. The rise of about 9 per cent which took place after abandoning the gold standard has thus been more than offset by the subsequent decline to a point about 5 per cent below the level of last September. During this interval, the decline in commodity prices in the United States amounted to about 10 per cent.

While the general wholesale price level in England responded only moderately and temporarily to the lowering of English exchange rates, and then resumed the general world-wide decline, there were considerable differences in price changes among the several groups of commodities. Among the food products, cereals (which are chiefly imported) advanced from September to March and then declined, but they are still (May) 14 per cent above the September prices. Prices of meat and meat animals, however, chiefly of domestic production, failed to rise and continued to decline to March. In May they were about 5 per cent below the September level. Among the non-food groups, iron and steel prices have remained about 2 per cent above the September prices; coal advanced about 4 per cent to February and has since fallen to a level about 4 per cent below September; cotton and cotton goods advanced about 12 per cent, and then receded to a level only 3 per cent above September; wool advanced 15 per cent, but has since fallen to a point about 4 per cent below September. All non-food groups combined were about 1 per cent lower in May than last September.

Prices in eight foreign countries averaged slightly lower in April than in May. In terms of currency the index in May averaged 68 per cent of the 1926 level compared with 69 in April, while in terms of gold the index averaged 59 and 60 respectively.

BUSINESS CONDITIONS

Business conditions in general in the United States declined still further in June. Industrial production in the aggregate was probably somewhat lower than in May. Automobile production did not show the usual seasonal decline, but was maintained at about the May level. Building activity during June, as measured by contracts awarded, lost some of the May improvement in non-residential construction, but employment among the building trades was perhaps above the low level reached in March and April.

Money incomes of industrial consumers continue to shrink. In May, the Federal Reserve Board index of factory payrolls averaged 4 per cent less than in April and nearly a third less than a year ago. The low money incomes of farmers, suffering from the reduced purchasing power of city consumers, continued to weaken the general business situation. Prices received by farmers in June were about 7 per cent lower than in May and 35 per cent lower than a year ago, indicating that cash incomes from farm marketings were probably about 40 per cent lower. The recent advance in hog prices being very largely the result of record breaking curtailment in marketings did not result in an increase in aggregate cash returns. In fact farmers received about 2 million dollars less for their hog sales in June than in May. The importance of the rise in hog prices to the hog producer may be in an increase in the valuation of the hogs remaining on farms. Cash returns from cattle were about 10 per cent greater in June than in May. The market value of butter, eggs, and poultry receipts amounted to about the same as in May.

The financial situation during June was marked by a cessation of gold withdrawals from the United States to European countries, by further purchases of Government securities by the Federal Reserve System, thought at a lesser rate, and by a lowering of interest rates. Gold withdrawals which terminated by the middle of June were more than offset by about 230 million dollars of Government securities purchased by the Reserve Banks. The reduction in the monetary gold stock from last September to the end of June amounting to slightly more than a billion dollars has been offset by approximately an equal increase in purchases of Government securities by the Federal Reserve Banks so that the total supply of funds represented by these two items is now about as large as last summer. Interest rates on commercial paper last September averaged 2 per cent, followed by a temporary rise to 4 per cent when banks were compelled to borrow heavily in order to maintain their legal reserves. With increasing reserves as a result of recent Federal Reserve

purchases of Government securities, interest rates have since declined to about $2\frac{1}{2}$ per cent. Member banks continue to show contraction of credit, though at a much slower rate than formerly, with their loans and investments for commercial purposes at new low levels, but with increased holdings of Government securities. Part of the decline in bank loans may reflect repayments by borrowers who have been helped by the Reconstruction Finance Corporation.

Industrial stock prices averaged 11 per cent lower for June than for May. Bond prices, particularly those of foreign countries, advanced with the progress of reparation settlements at the Lausanne Conference.

Foreign demand conditions for American agricultural products continued unfavorable during May and the forepart of June. Business activity and consumer incomes continued to contract. In Germany, business conditions have continued on a low level and the new German Government has announced a policy of vigorous aid and protection for German agriculture. In France the tendency has been downward with industrial production below pre-war levels for the first time in ten years.

In Great Britain, most industries reported somewhat lower rates of activity than in May. Unemployment figures in late May stood at 2,741,000 compared with 2,630,000 a year earlier. British domestic trade remains unsatisfactory, in spite of the low interest rates of the Bank of England and export trade in several important manufacturing lines fell off (in May) from the levels of previous months, partly because of continental import restrictions.

Adverse conditions characterized most Japanese industries during June. However, Japanese cotton consumption and exports of cotton cloth are at very high levels. Tariffs on many imports have been raised, including those on wheat and flour. Irregular industrial tendencies prevail in China, with flood control and other reconstruction work supplying some improvement in activity.

Wheat prices declined during June. Most of the decline occurred during the first ten days of the month, about the time the new crop in the Southwest was beginning to come to market, but the decline appears to have been due largely to favorable development of the spring wheat crops of the United States and Canada and to improvement in the outlook for the crops of some European countries. Since mid-June prices have fluctuated within a fairly narrow range and have shown no marked trend. Despite declining prices of wheat, protein premiums have been improving and are at relatively high levels.

The United States average farm price of wheat as of mid-June was 37.3 cents per bushel compared with 42.4 cents a month earlier and 51.9 cents for June last year.

Crop conditions have improved somewhat in the past month and present prospects indicate that the wheat crop in the Northern Hemisphere (excluding Russia and China) is likely to be about the same as that of last year. There is reason to expect that the world will again have abundant wheat supplies from the new crop and a world carry-over only a little smaller than the record carry-over of last year. However, supplies from Russia are expected to be much smaller than in 1931. A lower level of business activity at the present time than a year ago is tending further to restrict world demand. Prices at Chicago are still above a normal export basis as compared to Liverpool, despite indications that the United States crop and carry-over will provide a considerable export surplus.

The United States is entering the new crop year with another large carry-over, with a winter wheat crop about 350 million bushels smaller than that of last year, but with the prospect of a spring wheat crop about 200 million bushels larger than last year. The carry-over is evidently very largely of winter wheat, there being but little old crop spring wheat in store in the principal spring wheat markets of the country. Stocks on farms and "Commercial Stocks" (not including mill stocks and country elevator stocks) totaled 240 million bushels as of July 1, compared with 236 million a year earlier.

The indicated production of all wheat in the United States, based on July 1 conditions, is 737 million bushels, of which 432 million bushels are winter wheat and 305 million spring wheat. The outturn of the winter wheat crop is, of course, not subject to much change, but it should be borne in mind that the spring wheat crop is subject to marked change as the season develops. July temperature and rainfall are of great importance in determining the final yield of spring wheat.

The condition of spring wheat in Canada is officially reported to be 99 per cent as of June 30 compared with 56 per cent a year ago, and the longtime average of 100 per cent. The condition of the spring wheat crop in Canada at the end of June seems to give a somewhat more reliable indication of the final yield than does the July 1 condition in the United States. The reported condition of the Canadian crop, together with rainfall and temperature to date, point to a total crop of all wheat in Canada of about 475 million bushels, the same as indicated a month ago.

In Europe, outside the Danube Basin, crops have made considerable improvement during the past month and the total wheat production outside Russia is now indicated to be nearly as large as last year. Smaller harvests than in 1931 are expected in the countries of the Danube Basin, in Italy and in Poland.

Decreases in these countries are about offset by increases in Germany, France, Spain and Greece. Reports on acreage and conditions indicate a larger European rye crop than in 1931.

The total 1932 wheat area in Russia is 85,939,000 acres compared with 91,938,000 acres in 1931, or a reduction of 6.5 per cent on the basis of preliminary reports up to June 20. The spring acreage sown up to June 20 was 53.6 million acres compared with 62.5 million acres sown up to the corresponding date in 1931 and a final 1931 spring wheat area of 62.9 million acres.

Protein premiums: Premiums for protein in wheat testing 11.5 or better have been increasing at Kansas City and Minneapolis during June and the first part of July. Millers have been buying new crop hard winter wheat at Kansas City rather freely this year and paying substantial premiums for protein. These relatively high protein premiums during the early part of the hard winter wheat marketing period may be accounted for in part by the absence of old wheat of suitable protein content for milling and also by the small crop of hard winter wheat this year. As usual the early shipments of hard winter wheat have shown a wide range in protein content, but the quantity of new wheat testing high in protein is reported to be smaller than for the corresponding period last year.

CORN

Corn prices averaged lower in June than in May and have changed but little from the levels they reached early in June. The new crop has been developing favorably, but the extremely low prices are resulting in continued small receipts. The United States average farm price as of mid-June was 29.4 cents per bushel compared with 30.2 cents the month previous and 53.8 cents for June, 1931.

As expected there has been some increase in corn acreage over that of last year, the July 1 estimate of the area being 108,609,000 acres for the current year compared with 105,100,000 last year, an increase of 3.3 per cent. The condition of the crop generally is above average and as of July 1 was 84.9 per cent compared with 83.7 a year ago and a 10-year average of 81.7 per cent. Based on July 1 condition, the indicated production on the increased acreage is almost 3 billion bushels. It should be borne in mind, however, that the condition of the corn crop in early July does not provide a very reliable indication of the final outturn of the crop since weather conditions later in the season are of great importance in determining the final yield.

Commercial stocks on July 9 amounted to 13.6 million bushels compared with 7.7 million bushels a year ago and an average for the past five years of 15.7 million. Both receipts and industrial utilization have continued small. Receipts at 14 markets during June amounted to only 5.5 million bushels, the smallest receipts in June since receipts for 14 markets have been compiled. Total receipts from November to June inclusive, during the current crop year have amounted to 79.7 million bushels compared with 146.0 million during the corresponding period last season and an average for the past five years of 189.7 million bushels. Reported wet process grindings for June amounted to 4.6 million bushels compared with 5.7 million last June and an average of 6.5 million in June of the years 1927 to 1931 inclusive.

Corn market conditions during the next few months will be quite largely dependent upon the development of the new crop. An improvement in hog and cattle prices is tending to stimulate the demand for corn for feeding, but the improvement has not been sufficient to restore feeding demand to a level even approaching that of a few years ago. Industrial utilization is also still held in check by poor business conditions.

POTATOES

The United States average farm price of potatoes declined from 47.0 cents per bushel on May 15 to 44.4 on June 15, compared with 75.3 cents a year ago. Sharp price declines in the Northeast where shipments of old crop potatoes continued heavy and in the South Central States where new crop shipments from Oklahoma and Arkansas increased, are chiefly responsible for this further decline in the general average. In the North Central States where the marketings of the 1931 crop are practically completed, prices advanced. According to July 1 conditions, the light potato crop in the early States is likely to be offset by an increased production in the late States, resulting in a total 1932 crop about the same as the 1931 crop.

Shipments of old crop potatoes during the last half of June and first week of July are chiefly from Maine and represent delayed marketings in anticipation of better prices which did not materialize. Over 400 cars of old potatoes were shipped during the week ended July 2, of which 342 came from Maine, compared with no shipments from Maine in the comparable week a year ago and only 73 cars from other States. New crop shipments on the other hand, amounted to 4,514 cars for the week ended July 2 compared with 4,687 last year, but for the season so far, new crop shipments have fallen far short of the 1931 shipments due to the greatly reduced early crop. Total shipments to July 9 have been about 32,000 cars compared with 54,000 cars for the corresponding period last year. Large shipments from Missouri, Kansas, and California to be added to the light shipments from the eastern early potato States are responsible for supplies in the week of July 2 being close to those of last year.

During the last half of June, prices of Virginia new crop potatoes at New York declined from about $1.80 per 100 pounds to $1.45, but recovered to around $1.60 by July 7. This compares with about $1.35 a year ago. At Chicago, prices of new crop potatoes declined somewhat less than did prices at New York, and showed about the same advance during the first week of July.

In the eastern markets the supplies during the next few weeks will be chiefly from Virginia where the crop this year is unusually small. Ordinarily a small crop in this area tends to check the usual seasonal decline in prices at New York during July. In two seasons of small supplies (1921 and 1929) a rise in July prices took place.

After the peak of the Virginia crop movement the New York City market supplies are obtained from New Jersey and Long Island, and prices during August are determined very largely by the supply in these areas together with potential competing supplies from Kansas. Ample supplies are in prospect in these regions. Prices at present average about $1.50 per 100 pounds at New York. Prices in August of last year averaged about $1.25 per 100 pounds.

The estimated United States potato crop as of July 1, of 378 million bushels, is about the same as last season's crop and about 5 per cent above the 1924-1928 average. The crop in the early potato States is about 11 per cent lower, while in the intermediate States the crop is estimated at about the same as that of last year. In the three Eastern States (Maine, New York and Pennsylvania) the crop in prospect is about 14 per cent smaller, with most of the reduction in New York and Pennsylvania. This reduction, however, is

practically offset by a probable increase in the five Central States. An increase is also reported for the ten Western States, most of which is attributed to Nebraska and Colorado. Idaho is likely to have a crop considerably smaller than last year's.

RICE

Milled rice prices in the Southern Belt continued unchanged during June, but California prices weakened slightly. Fancy Blue Rose at New Orleans averaged $2.12½ during June and for the first week of July. Fancy California-Japan at San Francisco was quoted at $2.25 per hundred pounds on July 2 compared with $2.30 a month earlier. No. 1 Brown averaged $2.00 per hundred pounds for June, but during the first week of July declined to $1.90.

Southern Belt

Stocks of rough and milled rice in millers hands on July 1 were reported to be the equivalent of 1,452,335 barrels of rough rice compared with 986,000 barrels of rough a year earlier.

The June movement of milled rice into consuming channels was about equal to that of May. Shipments to Porto Rico during June totaled about 16 million pounds. Total Porto Rico movement for the crop year to July 1 amounted to about 186 million pounds compared with 202 million for the corresponding period last year. Exports through Southern ports for the crop year to July 1, totaled about 202 million pounds compared with 206 million for the corresponding period last year.

Production of rice in the Southern Belt this year based on conditions as of July 1, is forecast at 8,802,000 barrels or about 16 per cent below the 1931 production of 10,540,000 barrels. Adding the estimated carry-over of from 1,450,000 to 1,600,000 barrels to the 1932 crop makes a supply of from 10,250,000 to 10,400,000 barrels in the Southern Belt for the 1932-33 crop year. This compares with a supply of 10,800,000 barrels for the 1931-32 year.

California

Shipments of California rice to Hawaii during June totaled about 8 million pounds. The total movement of California rice to Hawaii for the crop year to July 1, was about 79 million pounds compared with 82 million for the corresponding period last year. Exports of California rice for the crop year to July 1, totaled about 7 million pounds compared with 9 million for the corresponding period last year. The 1932 crop in California based on conditions July 1, is forecast at 2,821,500 bags (100 pounds). The 1931 production was 3,600,000 bags.

The price relationship between Tokyo and San Francisco continues unfavorable for the export of California head rice to Japan. The price, in terms of United States currency of middle quality brown rice at Tokyo was $2.00 per hundred pounds on June 23. The price of No. 1 Brown at San Francisco on that date was also $2.00.

HOGS

Hog prices advanced sharply during late June and early July as a result of unusually large seasonal reductions in slaughter supplies. Shortage of hogs in some sections and withholding of hogs from market elsewhere, because of the low prices in late May and early June, accounted for the larger than average decrease in marketings. Supplies for this summer are indicated to be larger than a year earlier but those for this fall and winter, somewhat smaller.

During the three weeks prior to June 12 hog prices were at the lowest levels in 35 years, the average at Chicago for the week ended May 28 being $3.19 and that of the week ended June 11 being $3.22. The top price for best hogs on the low day of this period was $3.35. During the four weeks ended July 9, the weekly average advanced to $4.89 and the top to $5.50. On July 11, the top reached $5.55 and prices then reacted somewhat. These are the highest prices paid for hogs since late October, 1931, but they are about $1.50 below the prices of a year earlier.

The recent price advance was due almost wholly to a very sharp reduction in slaughter supplies of hogs after the middle of June. Slaughter supplies in the last week in June were 45 per cent less than those of the last week in May. At the beginning of June, supplies averaged about 20 per cent larger than in the corresponding period of 1931, whereas in the last week of the month they were 25 per cent smaller than a year earlier. Federally inspected slaughter in June, totalling 3,320,000 head, was about 16 per cent smaller than that of May but was 2 per cent larger than the unusually small June slaughter of last year. The reduction from the May total to the June total was the largest for these two months since inspected slaughter records have been kept.

The sharp reduction in market supplies of recent weeks has apparently been due to a shortage of hogs in Nebraska, the Dakotas, Minnesota and western Iowa and to the withholding of hogs from market in other sections. Producers in the Northwestern Corn Belt marketed their hogs early because of shortage of feed; the 1931 drought in that section having resulted in cutting down crop yields very materially. Information obtainable from the June 1 Pig Survey point to reductions around 20 per cent in South Dakota, 15 per cent in North Dakota and 8 to 9 per cent in Nebraska, in all hogs over 6 months of age on June 1 this year compared with those on the same date in 1931. The indicated number in Minnesota was about the same as last year, in Iowa it was 2 or 3 per cent larger, in Missouri around 6 per cent larger and in Kansas around 30 per cent larger. In all of the Eastern Corn Belt States, the numbers are larger than in June 1931, the increases ranging from around 5 per cent in Wisconsin to 15 per cent in Ohio, with the increase for the whole area indicated at about 10 per cent. Relatively larger increases are shown in most of the South Central States and in some of the Western States, and the increase for the United States as a whole is indicated at about 5 per cent. Indications of the decreased supplies in the Northwestern Corn Belt are shown by recent reductions in slaughter

at markets in that territory. Slaughter in Sioux City during the week ended July 8 was 70 per cent below that for the corresponding week of 1931. At Omaha the reduction amounted to 46 per cent and at St. Paul it was 26 per cent.

When hog prices reached the low levels of late May many producers became indifferent towards marketing their hogs. They were in position to carry their hogs through the summer on pasture at a relatively small cost and take chances on prices. With farm work incident to crop cultivation and harvesting increasing greatly during late June and hog prices advancing at the same time the disinclination to send hogs to market became more pronounced.

The moderate summer temperatures of recent weeks have also been a contributing influence to the hog prices advance. During corresponding periods of 1930 and 1931 temperatures were unusually high and resulted in curtailing the demand for meat and in depressing prices of meats and livestock rather sharply. During June and early July temperatures were favorable for maintaining the consumption of meat.

Notwithstanding the sharp advance in hog prices from early June to early July, the total market value of the hogs marketed during the two weeks ended July 9 was about 3 per cent less than that of the hogs marketed during the two weeks ended June 11, the period when prices were at the lowest levels of the year. In other words, the advance in price was not sufficient to offset the reduction in marketings and as a consequence the total returns to producers in June were about 2 million dollars or about 8 per cent below those of a month earlier. On the other hand, the value of hogs not yet marketed was increased by the recent rise in the market price.

The trend of fresh pork prices was quite similar to that of hog prices during June. After reaching an unusually low level in late May, prices of the principal cuts of fresh pork at New York advanced during the month, the rise being most pronounced during the three weeks ended July 9. Cured pork prices at that market were fairly steady during June but advanced slightly in early July, the rise being most pronounced in ham prices. Lard prices continued to decline during the first three weeks of June but rose sharply during the last week in June and in early July.

United States exports of pork are still below those of last year but there was a material increase during April and May over the preceding two months. Total shipments of pork in May were 30 per cent larger than in April, but they were 19 per cent below May last year. Lard exports during May were 13 per cent larger than in April and also 2 per cent larger than in May 1931. For the first eight months of the current marketing year (October 1931 to May 1932) pork exports were 33 per cent smaller and lard exports 5 per cent smaller than during the corresponding period in 1930-31. Shipments of pork from the principal ports in June were slightly smaller than in May, but lard shipments from these ports in June showed a marked increase over May shipments.

Storage holdings of pork decreased 65 million pounds during June compared with a decrease of 53 million pounds in June last year and lard stocks increased 3 million pounds compared with an increase of 12 million pounds in June 1931. Total stocks of pork on July 1, amounting to 731 million pounds, were about 8 per cent smaller than on June 1, 6 per cent smaller than on July 1, 1931, and 10 per cent smaller than the 5-year July 1 average. Stocks of lard, amounting to 132 million pounds, were 3 per cent larger than on June 1 and 14 per cent larger than on July 1 last year, but were 17 per cent under the 5-year July 1 average.

With indications of an increase of about 5 per cent in all hogs over six months of age on June 1, as compared with a year earlier, slaughter supplies for the three months ending September 30, would, normally, be somewhat larger than in the corresponding period last year. Most of the increase is likely to occur in late July and in August, but this will depend largely upon farmers' reactions to the recent sharp advance in hog prices and the developments with respect to prospective feed supplies, in making their feeding and marketing plans for the summer and fall.

From the standpoint of supplies, both at home and abroad, the hog outlook is much more favorable for the marketing year which begins next October. The pig survey indicated a reduction of 7 per cent in the 1932 spring pig crop in the United States from the spring crop of last year. In the Corn Belt where most of the commercial supply of hogs is produced, the decrease is estimated at 10 per cent. The shortage in that area is in Wisconsin, Minnesota, Iowa, Nebraska and the Dakotas. Present indications point to larger supplies of corn in those States next winter than last winter but the number of hogs to be fed there will be considerably smaller.

Hog numbers are also decreasing in Europe. June census reports in both Germany and Denmark, the two principal European hog producing countries, showed sharp reductions in the spring pig crops and in the number of sows to be farrowed. Earlier reports from other European countries indicate considerable reductions in the number of pigs raised this year.

CATTLE

The seasonal advance in cattle prices which got under way in mid-May, continued through June and the first week in July. Prices of the better grades of beef steers during the week ended July 9 were higher than they had been since in February. The average price of choice beef steers at Chicago of $8.53 per 100 pounds, was $1.38 above the low point reached the second week in May. The advance in prices of other grades of beef steers from the second week in May to the first week in July amounted $1.63 for good grade, $1.26 for medium grade, and 56 cents for common grade. The average price of all grades of beef steers during June was $6.66 as compared with $6.04 in May and $7.43 in June 1931. During the last week in June and the first week in July, prices of the better grades of slaughter steers were above the levels of the previous year for the first time since the spring of 1930, but prices of the lower grades were still below those of the corresponding weeks a year earlier.

The advance in beef steer prices during June was not shared by all kinds of cattle. During the week ended July 9, prices of cows, vealers, and stocker and feeder cattle were all below the levels of a month earlier. Prices of the lower grades of slaughter cattle and stockers and feeders usually decline during the period from late May or early June to October or November, whereas, prices of the better grades of slaughter cattle normally advance during that period.

Slaughter supplies of cattle and calves continued small in June. The number of cattle slaughtered under Federal inspection in the month was 3.6 per cent larger than in May, but 4.2 per cent below that of a year earlier. Calf slaughter in June was 1 per cent smaller than in May and about 5 per cent smaller than that of a year earlier. Supplies of beef steers at Chicago were 15 per cent smaller than those of May, 32 per cent smaller than in June, 1931, and the smallest for the month in the 11 years for which these figures are available. The proportion of good and choice grades in the supply of beef steers at Chicago was much smaller than in June last year and the proportion of the lower grades was considerably larger.

Cattle slaughter during the first six months of 1932 was 3.4 per cent smaller than that of the corresponding period last year. Steer slaughter was larger, but cow slaughter was considerably reduced. During the first five months of the year cow slaughter was 11 per cent smaller than that of a year earlier and the ratio of cow slaughter to total slaughter was far below that of any corresponding period on record.

The demand for stocker and feeder cattle continued unusually weak during June. Stocker and feeder shipments from the principal markets were 20 per cent below those of June 1931, making the total for the first six months of the year 31 per cent smaller than in the first half of last year. With returns from cattle feeding operations this season much more favorable than those of the preceding season, and with prospects favoring a large corn crop, the incentive to purchase feeder cattle during the last half of the year probably will be stronger than that of a year earlier, but unless the present difficulties of financing cattle feeding are alleviated, this incentive may not result in a larger movement of feeder cattle. The number of cattle now on feed apparently is much smaller than a year ago, and market supplies of fed cattle, especially the better grades, are expected to be considerably smaller during the next two months than in the corresponding period last year.

A large proportion of the market supply of cattle from July to November consists of grass cattle from the Western Range States and from Kansas and Oklahoma. Range conditions throughout most of the grass cattle producing areas are generally good, and the market movement of grass cattle this year is expected to be somewhat later than usual. The relatively small movement of cattle into Oklahoma and Kansas pastures during the spring indicates that marketings from those areas this summer and fall will be smaller than those of a year earlier.

BUTTER

With the usual seasonal increase in creamery butter production from April to May, production in May was about the same as a year earlier. The movement of butter into-storage has been light and with further curtailment in consumer demand, the general decline in butter prices continued during June followed by a slight improvement in early July.

Creamery butter production in May of 182.7 million pounds was approximately the same as a year earlier, and only 1 per cent less than the record May production in 1930. May production exceeded April by 34 per cent, which is about equal to the usual seasonal increase. In 1931, the increase from April to May was only 27 per cent. May production in the North Atlantic and Pacific Coast States was less than a year earlier, but in the Middle West production was slightly greater.

Milk production per cow on July 1, as reported by crop correspondents, of 15.66 pounds, was 4.7 per cent less than a year earlier, nearly 10 per cent less than two years earlier, and the lowest since records were first made available in 1925. The index number of milk production per cow (adjusted for seasonal variation 1925-1929 = 100) declined from 98 on June 1 to 91 on July 1. At 91 the index was lower than at any time during the drought period of 1930 or 1931.

Poor pastures, reduced grain feeding and a shift toward increased fall freshening caused the low milk production per cow on July 1. Reports from dairy correspondents indicated that in the eight months ended with June, there was only a 1 per cent increase over the preceding year in the number of cows and heifers that freshened on their farms. For the four months July to October, however, they expected an increase of 13 per cent. With an intended increase in fall freshening, there is now probably a larger portion of the milk cows dry and nearly dry. The increase in the percentage of cows milked from June 1 to July 1 was only one-fourth as great as the 1925 to 1929 average increase between the same two dates.

The condition of dairy pastures on July 1 at 78 per cent of normal, even though slightly higher than on July 1 in 1931 or 1930, was 8 per cent below the 1920-1929 average for that date. In the North Atlantic and East North Central States, pastures on July 1 were decidedly poorer than a year ago. In the other groups of States, pastures were better than a year earlier.

The price of 92 score butter at New York in June averaged 17.0 cents per pound; which was 1.8 cents or 10 per cent less than in May. Ordinarily there is little seasonal change in price from May to June. At 17.0 cents the price was 56 per cent of pre-war. For the week ended July 9, however, the price of 92 score butter at New York averaged 17.5 cents compared with 16.3 cents for the last week in June. The farm price of butterfat on June 15 of 14.6 cents was 1.7 cents less than a month earlier and 5.9 cents less than a year earlier.

Trade output of butter in May of 163.7 million pounds was about the same as in May 1931. The retail price of butter in May of 25.1 cents per pound was about 20 per cent lower than in the same month of 1931. This would indicate that consumer expenditures for butter in May were about 20 per cent less than in May 1931; in April the decrease from the preceding year was 29 per cent and in March 23 per cent.

Cold storage holdings of creamery butter on July 1 of 84.2 million pounds were 5 million pounds less than a year earlier, 22.5 million pounds less than two years earlier, and the smallest for July 1 since 1928. The net-into-storage movement in June of 55.0 million pounds was 1 million pounds more than a year ago.

On July 7, the price of 92 score butter at New York of 17.0 cents per pound was only one-half cent higher than Danish butter in London (gold basis) and about 1 cent more than New Zealand butter in London. The New York price, however, was 3.3 cents higher than the Copenhagen official quotation.

CHEESE

Cheese production continues lower than a year ago. Production has been curtailed in the important producing regions and decidedly less surplus milk in the fluid milk sections is being used for cheese production than a year ago. With the decline in business activity and payrolls, the storage demand as well as the consumptive demand has been greatly curtailed and cheese prices have declined at a time when there is usually little seasonal change in prices.

Cheese production in May of 53.1 million pounds was 12.0 per cent less than in May 1931 and the smallest production for May since 1928. The increase in production from April to May of 40.7 per cent was about the usual seasonal increase. Production of American cheese in May in Wisconsin was 13.9 per cent less than a year earlier, while in the West North Central States the decrease was 17.6 per cent and in New York, 30.6 per cent. In the Southern States, May production was larger than a year earlier, while in the Western States production was about the same.

The ruling price of cheese (twins) on the Wisconsin Cheese Exchange during June averaged 8.6 cents per pound compared with 9.0 cents in May and 10.8 cents a year ago. The price in May was 66 per cent of the pre-war average. In contrast the retail price of cheese in May was 102 per cent of pre-war.

Cold storage holdings of American cheese on July 1 of 54.3 million pounds were the lowest for July 1 since 1927, were 8.9 million pounds or 14 per cent less than a year ago, and 15 per cent less than the 5-year average. The net-into-storage movement during June of 13.8 million pounds was the lightest into-storage movement in June since 1918.

Trade output of cheese in May of 53.1 million pounds was 12.0 per cent less than a year earlier, and compares with a decrease of 13.5 per cent in April, and 7.4 per cent in March. The retail price of cheese in May of 22.6 cents per pound was 17.5 per cent less than a year earlier. The decrease in trade output and retail prices indicate that consumer expenditures for cheese in May were 27 per cent less than a year earlier. In April the decrease was 31 per cent and in March, 27 per cent.

Imports of cheese in May of 4.3 million pounds were 26 per cent less than in May 1931. Total imports for the first five months of 1932, however, were 14 per cent less than for the corresponding period in 1931.

EGGS

Wholesale prices of eggs declined slightly during June as receipts failed to register their usual seasonal decrease. The average farm price of

eggs, however, increased slightly from mid-May to mid-June. Storage holdings of eggs are now the lowest on record for this season of the year.

The price of special packed mixed colors at New York averaged 17.2 cents in June compared to 17.5 cents in May and 19.1 cents in June 1931 for the former grade of extras. Prices were fairly steady during early July. The farm price on June 15 was 10.6 cents, a rise of .5 cents from May 15.

While receipts of eggs at the four markets in June totaled less than in May (1.4 million cases compared to 1.9 million cases) there was little change from week to week during the month; the decrease coming in the latter part of May. During most of the year to date receipts have been well below those of a year ago or of the 5-year average. By the last week in June, however, they were at about the same level. Though the number of hens in farm flocks on June 1 was reported to be 3 per cent less than the year before, yet the number of young chicks was reported to be about 4 per cent greater; indicating that the fall and winter supply of fresh eggs may not be as small as previously anticipated.

Cold storage stocks of case eggs on July 1 were the lowest on record for the month; 6.3 million cases as compared to 9.5 million cases a year ago and a 5-year average of 9.9 million cases. Egg consumption appears to be less than a year ago in spite of lower prices than last year at this time. Apparent trade output of eggs in the four markets in June was about 8.6 per cent below that of June 1931. For the period January to June, inclusive, the apparent trade output was 6.8 per cent below that for the same period in 1931.

CHICKENS

The farm price of chickens declined seasonally from 12.2 cents on May 15 to 11.4 cents a pound on June 15, which was 4.7 cents below the price on June 15 last year. Though receipts have been somewhat below those of last year, storage stocks are greater. Consumption, however, in spite of present low prices, is below that of last year.

Receipts of dressed poultry at the four markets during June were 20.2 million pounds compared with 18.4 million pounds in May and 21.9 million pounds in June last year. The number of hens in farm flocks on June 1 is reported to be about 3 per cent less than on the same date a year ago, but the number of young chicks is about 4 per cent greater than a year ago. In this connection, however, it should be remembered that last year's hatch was quite late and the total number of chicks raised may not be much greater this year.

Cold storage stocks of frozen poultry on July 1 were 36.7 million pounds compared to 32.8 million pounds a year ago and a 5-year average of 45.5 million pounds. Stocks have not yet begun to increase, in contrast to last year's very early into-storage movement.

Judged by apparent trade output in four markets consumption of dressed poultry in June was about 5 per cent less than in June 1931 and for the period January to June inclusive was about 6 per cent less than for the same period a year ago.

LAMBS

Lamb prices fluctuated widely during June. The downward trend in prices which began in mid-April was checked in early June, when prices advanced sharply. This advance, however, was of brief duration, and by the end of the month prices had declined to the low levels of late May. Prices advanced again in the first full week in July.

These variations in prices were largely in response to changes in market supplies. Receipts of lambs at the 7 leading markets during the first two weeks in June were 22 per cent smaller than for the last two weeks in May. As a result of this reduction in supplies the top price of lambs at Chicago advanced to $7.75 per hundred pounds during the week ended June 11 compared with the low point of $6.00 reached in late May. During the remainder of the month market receipts increased slightly and prices declined to the $6.00 level during the last week in June. A further curtailment in market supplies resulted in the top price at Chicago advancing to $7.50 during the week ended July 9. This top price was paid for range lambs from the Northwest. Prices of yearlings have followed the general trend in lamb prices during June, but the fluctuations were not so marked. Prices of slaughter ewes were fairly stable during the month; remaining near the low levels of April and May.

Slaughter of sheep and lambs under Federal inspection during June, amounting to 1,529,000 head was about 6 per cent larger than in May and about 1 per cent larger than in June last year. Slaughter for the month was the largest for June on record. The number of sheep and lambs slaughtered during the first half of the year, amounting to 9,015,000 head was 7 per cent larger than during the corresponding period of 1931.

The movement of native lambs from the Corn Belt is now well under way, and the proportion of fed yearlings in the market supplies has decreased materially in recent weeks. During the last half of June lambs from Idaho began to be marketed in large numbers. During the summer and fall range lambs normally constitute an increasing proportion of the slaughter supplies. Range and feed conditions in the Western lamb producing areas have been favorable thus far this season, but the lamb crop in these areas is apparently much smaller than that of last year. Market supplies of lambs during the remainder of the year, therefore, are expected to be smaller than the record number marketed in the last half of 1931.

WOOL

The past month witnessed some improvement in activity in the Boston wool market. While the volume of business was very moderate as compared with normal activity it was encouraging in contrast to the situation prevailing through April and May. Prices of most wools showed further declines during the month but the declines were much smaller than those of the previous month. Fine (64s, 70s, 80s) strictly combing territory wools, scoured basis, were 37-39 cents a pound at Boston for the week ended July 2 compared with 38-40 cents a pound one month earlier. Territory 56s were 30-32 cents a pound the beginning of July, a decline of 2 cents a pound from early June prices. On a grease basis prices ranged from 11 to 15½ cents per pound. Prices in the Boston market are now the lowest since 1897. Farm

prices on June 15 averaged 7.2 cents per pound for the United States with the individual State averages ranging from 6 to 11 cents. The June 15 farm price was 40 per cent of the 1910-1914 average.

At the opening of the London auctions on July 5 prices (in British currency) of greasy merino and crossbred wools were mostly $7\frac{1}{2}$ per cent higher than at the close of the previous sales on June 3. The value of the English pound in United States dollars on July 5 was 4 per cent less than on June 3. By July 8 net advances over the previous series were equivalent to about one-half cent per pound in American money. Aside from the increase in prices at London there are few new developments in the English and continental wool markets. Trading at Bradford has been quiet but prices remain quite firm as sellers are reluctant to make concessions on tops and yarns in view of the strength in raw wool prices. Statistics for May (the latest available) show a considerable decline in employment and consumption in the English wool industry during that month.

Consumption of wool by United States manufacturers reporting to the Bureau of the Census in May dropped to the lowest total reported during the fourteen years for which statistics are available. The consumption of combing and clothing wool reported for May was 13.0 million pounds (grease equivalent) compared with 15.7 million pounds in April and 34.9 million pounds in May, 1931. Reported consumption for the first five months of the present year was only 108.5 million pounds (grease equivalent) while from January through May last year it was 157.4 million pounds.

Receipts of domestic wool at Boston still lag far behind those of the five years previous. In the first six months of this year 59.5 million pounds of domestic wool were received at Boston while during the same period last year receipts amounted to 108.6 million pounds. July is normally the month of heaviest receipts. Total receipts for 1931 were 253.8 million pounds.

Imports of combing and clothing wool continue to decline. The imports into Boston, New York and Philadelphia for the first half of 1932 were only 44 per cent of the imports received during that period last year. Imports into all ports from January to May were 11,795,000 pounds compared with 26,747,000 pounds in the first five months of 1931.

Recent reports tend to confirm earlier indications of a 1932 world wool clip about equal to that of 1931. Preliminary estimates place the Australian clip at a figure considerably above production for any preceding year and feed prospects are now reported as favorable for carrying sheep through the coming winter in the other Southern Hemisphere countries.

Owing to the reported fairly heavy losses of sheep, especially of old ewes, in the Western Range States of the United States during the winter and spring just passed and generally lighter fleeces, it seems probable that the upward trend in wool production in this country will be checked this year, notwithstanding the fact that sheep numbers on January 1, 1932 exceeded the number at the same date of the preceding year by 2 per cent.

COTTON

The 1931-32 cotton year is ending with restricted current consumption. The carry-over of American cotton will be the largest on record and in excess of the year's total consumption, but the acreage of the new crop is materially reduced, fertilizer applications have been small, and weevil are reported in large numbers in many parts of the Belt.

From the low point of 4.76 cents on June 9 for middling 7/8 inch cotton at the 10 spot markets prices recovered to 5.88 cents on July 6 but reacted and were 5.57 cents on July 13. Cotton prices started the season at 7.52 cents, fell to 4.89 cents on October 5, recovered with seasonal influences and the Japanese buying and southern holding movements to 6.77 cents on March 2, then, as effects of the depression and the prospective carry-over became more obvious, prices fell to the new low point. The recovery after June 9 started with reports of the increasing prevalence of weevil and of weather and plant conditions favorable to their further development. In 1929-30 with the increasing severity of the depression and accumulating supplies cotton prices were highest on the first day of the year and lowest on the last day and in 1930-31 they were highest on the first day and only 1 point from the lowest on the last day. A price recovery from June 9 to July 3 last year gave way to a severe decline as the market began to sense the coming of a large crop in 1931. This year the largeness of the carry-over is well recognized and the course of prices in late summer and early fall will depend upon crop prospects and rates of consumption.

The Crop Reporting Board estimated the acreage in cotton on July 1 at 37,290,000 acres; 23.5 per cent below the record acreage in 1926 and the lowest since 1922. This acreage with average abandonment and 10-year average yields would produce a crop less than the average world consumption of American cotton for the past ten years. The present acreage is 9.5 per cent below the acreage of July 1, 1931 and constitutes the third successive decrease. The reduction is greater than the trade generally anticipated. In comparing the acreage with that of July 1 last year it should be observed that in 1931 abandonment amounted to only 1.2 per cent whereas the 10-year average abandonment is 3.1 per cent. The first official production forecast will be released on August 8.

The apparent supply remaining in the United States on July 1 was 10.6 million bales, compared with 7.1 million in 1931, 5.0 million in 1930, and 2.8 million in 1929. Stocks of American cotton in European ports and afloat for Europe at the beginning of July were about equal to the average of the previous three years, but stocks in Japan are of record proportions. Stocks of other growths at European ports and afloat are low and although stocks at Alexandria are still large, stocks at Bombay are below the low stocks of last year. The new season will begin, then, with record stocks of American cotton and large stocks of Egyptian cotton. Competition from Indian cotton, however, promises to continue low, at least until the movement of the 1932-33 Indian crop gets under way around the beginning of the next calendar year.

With the continued depression and seasonal influences domestic consumption in recent months has been very low. In June consumption was 321,000 bales compared with 332,000 in May and 489,000 at the season's high point in March. In June 1931 domestic consumption was 454,000 bales. Usually consumption reaches a low point in the summer months, rises in the early fall, and reaches a peak in March. The average gain from July to October is 16 per cent and from July to March is 24 per cent. In 1930 general industrial activity fell until December and cotton consumption reached a low point in August, but in October consumption was 26 per cent greater, and in March, with a partial revival in general business it was 39 per cent greater.

Cotton exports from the United States declined seasonally to 360,000 bales in June compared with 501,000 in May, but they were still well above the exports of 255,000 bales in June 1931 or 185,000 bales in June 1930. For the season to July 1 this brings exports to 8,258,000 bales compared with 6,501,000 for the same period in 1930-31 and 10,795,000 bales in the record year 1926-27. The depression in Europe prevented exports from rising as much this year as in 1926-27.

The cotton textile industries in Europe are still severely depressed, but the proportion of American cotton being used is high. Stocks of goods are generally moderate and improved consumer purchases would be reflected in mill consumption rather quickly. Buyers of cotton have been very cautious as consumer buying power is low, trade restrictions increasing, and political conditions unsettled. The progress made at the Lausanne Conference helped sentiment and the rise in cotton prices increased mill price fixing somewhat, but forward buying is small. In Japan, by far the largest taker of American cotton this year, consumption is at a high rate, and exports of cotton goods are large. Japanese firms are reported to be successful in expanding their trade in the Dutch East Indies and Malaya, and a decline in the value of the yen is helping to facilitate Japan's export trade in cotton goods generally.

Business Statistics Relating to Domestic Demand

Year and month	Industrial production	Factory payrolls	Factory employment	Commodity prices: United States: At farms	United States: Wholesale 3/: 1910-1914 =100	United States: Wholesale 3/	Foreign 4/: In currency	Foreign 4/: In gold	Interest rates 5/	Industrial stock prices 6/
	1923-1925=100 1/			2/		1926 = 100				
1929										
June	125	110	102	135	139	95	94	96	6.00	315
July	124	109	102	140	141	96	94	96	6.00	344
Aug.	121	110	102	143	141	96	93	96	6.19	361
Sept.	121	110	101	141	140	96	94	96	6.25	365
Oct.	118	106	100	140	139	95	94	96	6.19	321
Nov.	110	101	98	136	136	94	92	95	5.43	233
Dec.	103	98	95	135	136	93	91	94	5.12	247
1930										
Jan.	106	97	94	134	135	92	90	92	4.94	252
Feb.	107	95	93	131	133	91	88	90	4.68	268
Mar.	104	94	92	126	132	90	86	88	4.31	277
Apr.	104	95	92	127	131	90	86	88	3.88	288
May	102	93	91	124	130	89	84	86	3.73	269
June	98	91	89	123	127	87	84	85	3.54	239
July	93	85	86	111	123	84	83	84	3.16	232
Aug.	90	82	85	108	123	84	83	84	3.00	231
Sept.	90	83	84	111	123	84	81	83	3.00	232
Oct.	88	78	83	106	121	83	80	81	2.92	196
Nov.	86	74	81	103	119	81	79	80	2.88	132
Dec.	84	73	79	97	116	80	78	78	2.88	170
1931										
Jan.	83	70	78	94	114	78	76	77	2.85	168
Feb.	86	72	77	90	112	77	76	76	2.63	181
Mar.	87	72	78	91	111	76	76	76	2.52	182
Apr.	88	72	78	91	109	75	76	76	2.38	162
May	87	71	78	86	107	73	74	74	2.20	143
June	83	68	76	80	105	72	74	74	2.00	138
July	82	67	75	79	105	72	74	73	2.00	143
Aug.	78	64	74	75	105	72	72	72	2.00	139
Sept.	76	62	73	72	104	71	71	68	2.02	119
Oct.	73	58	70	68	103	70	72	66	3.50	102
Nov.	73	56	68	71	102	70	72	65	4.03	104
Dec.	74	55	68	66	100	69	72	61	3.88	81
1932										
Jan.	71	54	67	63	98	67	71	60	3.88	79
Feb.	70	52	67	60	97	66	71	60	3.84	80
Mar.	67	50	66	61	96	66	71	61	3.83	82
Apr.	64	48	64	59	96	66	69	60	3.73	63
May	61	46	62	56	94	64	68	59	3.27	53
June				52					2.94	47

1/ Federal Reserve Board indexes, adjusted for seasonal.
2/ U. S. D. A., August 1909-July 1914 = 100.
3/ Bureau of Labor Statistics. (New index of 784 commodities).
4/ Weighted average of indexes for eight foreign countries - United Kingdom, Canada, Japan, France, Italy, Germany, China and the Netherlands.
5/ The Annalist. Average of daily rates of commercial paper in New York City.
6/ Dow-Jones index is based on daily average closing price of thirty stocks.

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UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics
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THE PRICE SITUATION, AUGUST 1932

FARM PRICES

Since July 15 market prices of cotton, grains, eggs and dairy products have increased considerably, while livestock prices have lost some of the June to July advance.

The general level of farm prices at 57 per cent of the pre-war average on July 15 was 10 per cent above the record low of a month earlier, but 28 per cent lower than on July 15 last year. This rise in the index from June to July was the largest rise for any month in the past three years. Of the 9 sub-groups indexes, 7 registered a rise during the month ended July 15, while grains and the unclassified group showed a slight decline. The exchange value of farm products for the goods farmers buy advanced from the record low of 47 per cent of the 1910-1914 average on June 15 to 52 per cent on July 15.

THE GENERAL WHOLESALE PRICE LEVEL

The general level of wholesale commodity prices during July continued to show a rising tendency which was initiated toward the end of June by advancing prices of a few agricultural commodities, particularly livestock. During July the list of agricultural commodities showing price advances expanded and now includes grains, cotton and dairy and poultry products; advances in the latter being largely of a seasonal character. During the last of July part of the advance in livestock was lost. The rising tendency in the agricultural group is largely due to reduced current supplies as in livestock products and to reduced prospective supplies as in the case of cotton. Except for advances in some of the metal products, the other commodity groups included in the general wholesale price index continued stable.

From the low level of 93 per cent of the pre-war average for the week ended June 18, the Bureau of Labor Statistics index advanced to 94.9 per cent for the week ended July 16 and declined slightly to 94.6 the first week of August; these changes being due almost entirely to changes in prices of agricultural products. All the group indexes except those for farm and food products continued practically unchanged, with a rising tendency during the first week of August.

BUSINESS CONDITIONS

While business activity and consumer incomes during July were at the lowest level reached so far in this depression, prices of agricultural products and of stocks and bonds made noticeable advances. The rising tendency in the farm products and speculative markets during July was continued into August with even greater impetus, but industrial activity

in the aggregate showed no material change at least for the first week of August.

The rate of decline in industrial activity was much slower during July than during the preceding months. Freight car loadings throughout the month remained slightly above the low level reached by the end of June. Steel mill activity during the last three weeks of July continued its slow general decline. Electric power and automobile production were at somewhat lower levels during July than during June, the latter showing a sharp reduction for the last week of July. Cotton cloth production on the other hand increased sharply in the last week of July to approximately the level two months earlier. Large gains appeared in contracts awarded for non-residential construction, particularly public works and utilities, but residential awards declined seasonally (during the first three week of July). These mixed tendencies apparently resulted in money incomes of industrial workers during July somewhat below those of the preceding month. In June, according to the Federal Reserve Board, factory employment was only 60 per cent and factory payrolls 43 per cent of the 1923-1925 average. The money incomes of large groups of farmers, however, showed some improvement in July compared with June. The market value of livestock and livestock products sold during July was about 10 per cent greater than in June, whereas last year there was nearly a 10 per cent decline from June to July. This improvement in income, as prices of basic farm commodities advanced, gave rise to better business and credit sentiment in agricultural areas.

The month of July witnessed a number of financial developments which apparently contributed to and widened the area of improved sentiment during the past several weeks, particularly in the speculative markets. Between the middle of July and the first ten days of August a sharp rise in security values took place. High grade bonds made another sharp advance similar to that which took place in June and the industrial stock prices included in the Dow-Jones averages advanced more than 60 per cent from July to August 10; an advance which exceeds the several temporary recoveries that have marked the general downward trend from September 1929 to July 1932.

Among the developments of the past month which helped to improve business sentiment in this country and abroad are (1) the passage of a relief bill, extending the lending powers of the Reconstruction Finance Corporation; (2) the passage of the Federal Home Loan Bank Act; (3) an amendment to the relief act permitting Federal Reserve Banks to rediscount obligations of individuals and corporations; (4) cessation of the outflow of gold and the beginning of a return movement to the United States; (5) continued increase in purchases of United States securities by Federal Reserve Banks, though at a much lower rate than formerly, creating a condition of excess reserves and thus freer credit conditions in other banks besides those in New York City; (6) approval of plans for the consolidation of eastern railroads into four major systems.

In addition to these developments, agricultural prices continued to show strength, and prospects improved for increased activity in certain industries producing consumer goods. Conditions abroad also undoubtedly contributed to domestic developments during July. Particularly in Europe the unexpected outcome of the Lausanne conference bringing a near cessation of German reparations into sight, has had a buoyant influence.

How much of this change in sentiment is due to a correct appraisal of prospective changes in business activity and industrial profits as a result of the improvement in certain commodity prices and how much of it is merely a reaction from previous extensive and possibly excessive declines, is not known. That portion of the rise in agricultural commodity prices alone, which has been due to reduced current and prospective supplies, justifies a part of the improvement in security values above the low levels of July, for it has raised inventory values and increased the liquidating value of many commercial and agricultural obligations.

WHEAT

Wheat prices in the principal United States markets declined during the first half of July, to a very low level. On July 16 Chicago futures were the lowest on record. During the last half of the month and first week of August, however, wheat prices advanced to a level somewhat above that of the first of July. During this 5-week period winter wheat showed more strength than spring and durum, which may be accounted for by the relatively small winter wheat crop and the forecast for spring wheat somewhat above average. The recent advance in wheat prices which began about the middle of July affected futures prices considerably more than cash, especially during the first week of August. The advance in September futures from July 16 to the beginning of August was only about 4 per cent, which was about the same as the advance in cash prices. During the week ended August 8, September futures at the 3 principal markets, advanced about 13 per cent whereas the advance in cash ranged from 6.7 per cent at Kansas City to 11 per cent at Chicago. This advance was associated with considerable speculative activity in security and commodity markets. Only a small portion of this recent advance in United States prices was reflected in world prices. On August 2, Liverpool October futures were quoted at 54-3/4 cents per bushel; 5-3/4 cents above September futures at Chicago, whereas on August 8, the spread was only 1-1/2 cents. Farm prices on July 15 averaged 35.7 cents per bushel, compared with 37.3 cents a month earlier, and 36.3 cents on July 15,1931.

Crop conditions in the wheat producing countries of the Northern Hemisphere (excluding Russia) indicate that the 1932 crop may be about the same as the 1931 crop. Stocks of old wheat in the principal exporting countries on July 1, together with certain stocks in importing countries, indicate that the world carry-over of wheat (excluding Russia and China) into the 1932-33 season will be slightly larger than the record carry-over of last year. Thus, it appears that the portion of the world supplies already accounted for in 1932-33 is about the same as that of last year. Information on the condition of 1932 wheat crop in the Southern Hemisphere is not yet available. However, the location of the

supplies already accounted for is of some significance. The exportable surpluses in the United States and Canada promise to be large, but in the Danube Basin countries the crop may be very little above domestic requirements. The principal importing countries of Europe have reported a new crop larger than that of last year and restrictions on imports have been tightened. The new crop of wheat in Germany promises to be large enough to satisfy domestic requirements and the rye crop is also large.

The crop of all wheat in the United States, based on conditions as of August 1, was forecast to be 722,687,000 bushels, of which 441,788,000 bushels is winter wheat and 280,899,000 bushels spring wheat. The carry-over of old wheat into the 1932-33 season was reported to be about 363 million bushels, a large percentage of which was winter wheat. Thus, the proportions of spring and winter wheats in total supplies for milling during 1932-33 will be more nearly normal than is indicated by the relative sizes of the new crops of spring and winter wheats. There will, however, be a much larger percentage of durum wheat in the supplies for the current season than was the case last year. Total United States supplies of wheat for the 1932-33 season may be about 125 million bushels less than the total supply for 1931-32. The disappearance of wheat during 1931-32 was about the same as that of 1930-31. The level of prices during 1931-32, however, was considerably under that of 1930-31. All classes and grades at 6 markets averaged 55.1 cents per bushel for 1931-32 and 77.1 cents for the previous year. Exports during 1931-32 were about 5 million bushels larger than for the previous year. There was also about 25 million bushels more wheat fed to livestock than in 1930-31, but total millings and wheat used for seed were both less than in 1930-31.

The condition of spring wheat in Canada as of July 31 is officially reported to be 88 per cent of a long-time average. This compares with 99 per cent condition reported as of June 30. The official reported acreage of all wheat in Canada was 27,099,000 acres. The reported condition of the crop, together with rainfall and temperature to date, indicates that the total wheat crop of Canada may be between 450 million and 475 million bushels.

CORN

Corn prices were fairly steady during July and the first week of August. Prices of No. 3 Yellow corn at Chicago advanced from an average of 29.7 cents for the week ended July 1 to 32.7 cents for the week ended July 22, but increased receipts during the following two weeks resulted in a decline to 31.5 cents for the first week of August. The United States average farm prices on July 15 of 29.9 cents compares with 29.4 cents on June 15 and 54 cents on July 15, 1931.

Over large areas of the country July was too hot and dry for the best growth of the corn crop and the estimate of production declined from 2,996 million bushels on July 1 to 2,820 million bushels on August 1. The revised estimates of the 1931 crop was 2,563 million bushels and the average production for the years 1924 to 1928 was 2,625 million bushels. Weather

during the first third of August was more favorable for the crop. The condition of the crop as of August 1 indicated a larger than average crop in all States except in several of the Atlantic Coast States and in Kentucky and Tennessee. South Dakota and Kansas conditions where the drought was most severe last year indicate a crop 30 per cent larger than was harvested last year and somewhat larger supplies are also indicated for Wisconsin, Georgia, Oklahoma, Texas and in the Intermountain and Far Western States. Present indications are that the crop will be much more normally distributed this year than in the past two years, with no unusual shortage of corn in any large area.

The crop season is earlier than usual this year so that feed supplies for the coming year are now fairly definitely known. The August 1 estimate of barley production of 303 million bushels is 53 per cent larger than the final estimate of production last year; and of oats of 1,215 million bushels is nearly 10 per cent larger than the crop of 1931. The total hay crop this year is slightly larger than a year ago, but below average.

The prospective demand for corn for the coming season is not materially different from a year ago. The number of beef and dairy cattle on farms is larger than last year, but the spring pig crop for the United States is about 7 per cent smaller than a year ago and 10.3 per cent smaller in the Corn Belt with the greatest decline occurring in the western part of the Corn Belt where corn supplies were unusually small. The numbers of horses, mules and sheep are also smaller than at this time last year. The ratio of feed prices to prices of hogs and dairy and poultry products is now more favorable to heavy feeding than a year ago. Commercial demand for corn continues at a low level. Wet process grindings for July were 4.3 million bushels compared with 5.2 million bushels in July last year and a 5-year average of 6.1 million bushels. Commercial stocks of corn declined from 13.5 million bushels on July 9 to 10.8 million bushels on August 6. This is about the usual decline in stocks for this time of the year and stocks are now below normal but somewhat above the stocks at this time during each of the past three years.

Although prices of hogs, and dairy and poultry products are now favorable for feeding on farms where grown, they are too low to encourage the shipment of corn into deficit areas. Unless prices of these products improve it will tend to restrict the market demand for corn for feeding purposes below normal proportions during the coming year. Industrial utilization of corn continues to be held in check by poor business conditions.

APPLES

The 1932 apple crop, based on conditions as of August 1, is forecast at 136 million bushels compared with 202 million bushels produced in 1931 and the 1924-1928 average of 180 million bushels. If the present forecast materializes, this year's crop will be the smallest since 1929 when 136 million bushels were produced. Commercial production is now placed at 30.2 million barrels compared with 34.5 million barrels in 1931 and the 1924-1928 average of 32.4 million barrels. Apple prospects this season are above average in the Western States, but considerably below average in the Eastern, South Atlantic and North Central States. Shipments of apples this season to August 6 total 3,221 cars or 18 per cent below the 3,940 cars shipped to August 8 last year. The movement from the Western States was slightly greater than last year while that from the Eastern States was 36 per cent less.

Farm prices of apples for the 1931 season averaged 65.9 cents per bushel compared with 102.7 cents per bushel for the 1930 season. The farm price of apples on July 15 this year averaged 86.2 cents per bushel compared with 92.1 cents per bushel on June 15 and 107.9 cents a bushel on July 15, 1931. Usually there is a seasonal decline of about 30 per cent in farm prices of apples from July to October, the month of heaviest shipments. However, in 1927 when the crop was slightly smaller than the present one the decline was only 7 per cent. In 1929 when the crop was about the same as the present one, the decline from July to October was 14 per cent.

The following table is a record of the apple crops with their seasonal average and October prices since 1924. The years are arranged in the order of the size of crops. The prices have been adjusted for the effect of changes in the general level of prices of all commodities. (Prices as of July, 1932 = 100).

Apples: United States production, 1924-1932; farm prices, 1924-1931

Year	Production	Average season price		Mid-October price	
		Actual	Adjusted 1/	Actual	Adjusted 1/
	Million bushels	Cents per bushel	Cents per bushel	Cents per bushel	Cents per bushel
1927	124	141.7	96	134.7	90
1929	136	141.4	98	137.9	94
1932	2/ 136	---	--	---	--
1930	156	102.7	83	98.4	77
1925	172	127.0	80	120.5	75
1924	172	122.1	79	115.9	76
1928	187	110.3	74	99.4	66
1931	202	65.9	62	58.9	54
1926	247	88.3	58	80.2	52

Division of Statistical and Historical Research.
1/ Prices adjusted to the July 1932 level of all commodity prices.
2/ Forecast as of August 1.

POTATOES

New potato prices improved to $1.52 per cwt. at New York and $1.42 at Chicago during the first nine days of July, reflecting relatively light shipments during the last half of June. Prices the following week broke sharply with increased shipments; averaging $1.18 per cwt. at New York and 90 cents at Chicago. The break may have been accentuated by the poor quality and condition of Kansas, Missouri, and Eastern Shore of Virginia and Maryland potatoes, many of which showed considerable decay on arrival at

terminal markets. Prices strengthened the week ended July 23; averaging $1.20 per cwt. at New York and $1.04 per cwt. at Chicago. Since then the downward trend in prices has continued in spite of unusually light carload shipments; averaging about $1 per cwt. for cobblers at New York City on August 8 and 80 to 90 cents per cwt. at Chicago for Missouri and Nebraska cobblers.

The average price of potatoes received by farmers on July 15 of 48.8 cents per bushel is the lowest July average on record (since 1908). The price on July 15 was 4.4 cents higher than on June 15 and 33.7 cents lower than in July last year. The price declines in late July and early August were in general confined to the States producing the new crop potatoes while the late potato producing States generally showed a price rise.

Car-lot shipments of new potatoes as reported by railroads continued light up to August 1 this year, amounting to 40,760 car loads compared with 65,294 for the corresponding period last year; a decrease of 24,534 cars or 38 per cent. Old potato shipments continued large until late July, amounting to 4,931 cars or 22 per cent of the total car-lot movement in June and 543 cars or 3 per cent of the total car-lot movement in July. This compares with 1,132 cars or 2 per cent of the total car-lot movement in June, 1931 with only 5 cars shipped in July, 1931. Total car-lot shipments in June were the lightest since 1929, totaling 21,966 cars, this being 5,126 cars or 19 per cent less than last year's June shipments. July shipments were the lightest since July, 1921, amounting to 15,702 cars, which is 4,503 cars or 22 per cent less than were shipped in July last year. These light shipments up to the present time were due to the small crop of new potatoes. From now on available supplies of potatoes for marketing will be greater; approximating the supplies of the 1931-32 late-crop season.

The total production for 1932, based on conditions as of August 1, is forecast at 367 million bushels or about 2 per cent below last year's crop; this reduction being due entirely to the smaller crop in 11 early States. The 37 late States have in prospect a crop of 338 million bushels, or 1 per cent greater than last year's crop. Compared with the distribution of the late crop last year, this year's production is lighter in the North Eastern States and heavier in the Central and Far Western States. This year's potato crop if it turns out to be as indicated by conditions as of August 1, would approximate the 1927 crop in size and in geographic distribution.

The following table gives the total production and average season farm prices of potatoes since 1924, arranged according to crop size. Prices are also shown adjusted to the recent general level of prices of farm products. Studies indicate that potato prices adjusted in this manner have a fairly close relationship to the size of the potato crop.

Potatoes: United States production, 1924-1932; farm price, 1924-1931

Year	United States production	Average season farm price: Actual	Average season farm price: Deflated 1/
	Million bushels	Cents per bushel	Cents per bushel
1925	299	183	83
1926	323	142	71
1929	329	136	65
1930	333	96	61
1932	2/ (367)	--	?
1927	370	108	50
1931	376	52	45
1924	386	78	35
1928	427	62	28

Division of Statistical and Historical Research.
1/ Adjusted to the July 1932 level of agricultural commodity prices.
2/ Forecast as of August 1.

RICE

Prices of fancy blue rose at New Orleans for the year ended July 31, 1932, averaged $2.60 per hundred compared with $3.58 for the previous year. Fancy California-Japan at San Francisco experienced a similar decline. The lower level of rice prices during the 1931-32 crop year was due primarily to supplies being above average, decreased purchasing power in all of the markets in which American rice is sold, and a general decline in the price level. The highest prices of the season occurred in August and September. When the new crop began moving in volume during early October prices declined sharply. During November and December, however, marketings diminished and prices advanced moderately. During the remainder of the crop year prices dropped rapidly, reaching $1.95 for fancy blue rose at New Orleans by the end of the year. This was the lowest level of prices of American rice during the last century.

The carry-over of old rice into the 1932-33 season was reported to be about 206 million pounds compared with a carry-over of 117 million into the 1931-32 season. The 1932 crop, based on conditions as of August 1, was forecast to be the equivalent of 1,086 million pounds (cleaned basis). Thus the total supplies for this year appear to be about 1,292 million pounds compared with 1,373 million for the 1931-32 crop year.

The movement of milled rice into consuming channels during 1931-32 totaled about 45 million pounds less than the 1,211 million pounds accounted for in 1930-31. Practically all of this decline occurred in the domestic market, especially in continental United States. Exports were about the same as in 1930-31, but at a much lower level of prices.

During August, September and October exports were at a very low level. The drastic decline in prices of American rice during October stimulated exports and the seasonal peak in exports came in November, which is somewhat earlier than usual. The low prices of rice in Asiatic countries during the mid-winter months stimulated imports at European markets. During the same period imports of American rice were unusually small as a result of relatively high prices in the United States. Prices of American rice, however, declined during the last half of the year when Asiatic prices were holding steady or advancing. Consequently, exports of United States rice for each of the months, March to July, were higher than for the corresponding months in 1931. In 8 of the principal importing countries in which 77 per cent of the 1930-31 total exports were sold, low prices resulted in total imports increasing, but in each case the percentage increase of total imports was greater than the percentage increase in imports of American rice. Germany imported 62 per cent more rice during the first ten months of 1931-32 than for the corresponding period in 1930-31, whereas the increase in takings of American rice was 47 per cent. In the United Kingdom the increase in total imports was 12 per cent and for United States rice 3 per cent.

Supplies of southern rice for the 1932-33 season appear to be about 10,565,000 barrels, made up of a carry-over of 1,450,000 barrels (preliminary) and a crop forecast to be 9,115,000 barrels. The record carry-over into this year is much larger than that of last year. A smaller crop this year, however, places supplies in the Southern Belt at about 555,000 barrels below the supplies for 1931-32.

The stocks of California rice on August 1 were reported to be about 900,000 bags (100 pounds). The crop, based on conditions as of August 1, was forecast to be 2,821,500 bags making a total apparent supply of about 3,721,500 bags. The total supplies for 1931-32 were 4,184,000 bags.

Prices of rice in the producing countries of Europe and Asia declined very rapidly from August to the end of 1931, and the beginning of 1932. During the last few months of the 1931-32 crop year, however, prices in most of these countries improved. Burma No. 2 at Rangoon was quoted at $1.38 per hundred pounds in August, 1931 and declined to 73 cents in February. No. 1 Round White at Saigon declined from $1.48 in August to $1.09 in January. The declines in Spanish and Italian prices were very much less than the declines in Asiatic countries. The very low prices of Asiatic rice during the latter part of 1931 and early part of 1932, resulted in heavy exports from those countries. The exportable surplus available during the early part of the 1931-32 season was considerably above average, especially in Burma. Information on the 1932 crop in those countries is not yet available. The surplus which is available for export and carry-over from the 1931 crops in those countries are, for the most part, below average. This is especially true in Siam. In Japan, in spite of short supplies prices have declined because of decreasing demand. The price of middle quality brown rice at Tokyo continues slightly below the price of No. 1 Brown at San Francisco, thus preventing exports of California rice to Japan.

FLAXSEED

Present prospects indicate that the world's flaxseed crop this year will be somewhat smaller than a year ago despite last year's short crops in the United States and Canada. Flaxseed acreage this year was reduced in all the major producing countries except India and also in many of the less important producing countries. Argentina, the largest producer of flaxseed, apparently has a sharply reduced acreage this year, due apparently to the prevailing low prices and excessive supplies. Although production in the United States is estimated to be greater this year than last it is still well below the 5-year average. The latest Canadian estimate of 454,000 acres sown to flaxseed this year is considerably less than last year's acreage. Russian flax sowings on June 15 were 87 per cent below the planned acreage and about 800,000 acres less than last year. India, alone, of the large producers has a larger flaxseed acreage this year than a year ago.

The August estimate of flaxseed production in the United States is 15,800,000 bushels, which is 43 per cent more than last year's crop, but about 21 per cent below the 1926-1930 average. Weather conditions during the spring and early summer were especially favorable both in the United States and Canada, but during the past few weeks hot, dry weather has prevailed throughout the Northwest. Flaxseed has suffered materially from the recent heat and drought. With present prospective supplies, a considerable importation of flaxseed will no doubt be needed to meet domestic requirements.

According to an official report the Canadian flaxseed crop has also been adversely affected by the prevailing dry weather. The condition at the end of July was 79 compared with 92 on June 30. Weather conditions continue favorable in Argentina, but because of the much reduced acreage the Argentine production of flaxseed will undoubtedly show a substantial decrease this year. Trade reports estimate this decrease at from 15 to 20 per cent. The latest official estimate of the flaxseed crop in India of 16,440,000 bushels is the largest since the 1925 crop of 20,040,000 bushels.

Shipments of flaxseed from Argentina's record crop of last year continued heavy through the months of June and July. Exports from Canada have necessarily been small on account of last year's short crop. Indian shippers are apparently even more indifferent to the international market this year than last, and shipments from India continue on a very small scale undoubtedly on account of the prevailing low prices.

The downward trend in flaxseed prices at Minneapolis during July reduced considerably the margin of Minneapolis prices over Buenos Aires prices. The major factors contributing to the downward trend in prices were: large market receipts, good crop prospects in early July, comparatively large supplies of flaxseed still on hand in Argentina and India and the poor demand for linseed oil in the United States on account of the continued low level of building activity. Flaxseed prices at Minneapolis strengthened somewhat during the early part of August. The average farm price of flaxseed on July 15 was 80.8 cents per bushel compared with 86.2 cents on June 15 and 132.6 cents on July 15, 1931.

HOGS

The advance in hog prices which began in late June and continued into early July was not fully maintained during the last half of July. Despite the decline in recent weeks, however, prices are now at considerably higher levels than in mid-June before the advance got under way. An increase in slaughter supplies from the low level of early July and higher temperatures have been the principal factors responsible for the weaker hog prices during the last three weeks.

From the low point in mid-June to early July hog prices advanced more than $1.50 per 100 pounds, and the average price at Chicago for the week ended July 9 was $4.89. The ensuing decline brought the average for the week ended August 6 down to $4.26, a drop of 63 cents from the high week in July. The average price of hogs at Chicago for July was $4.58, compared with $3.62 in June and $6.33 for the corresponding month a year earlier. The July average was the highest monthly average for the Chicago market since last November.

Hog marketings followed a sharp downward trend during June and the first week in July, due in part to a withholding of supplies by producers. Marketings began to increase, however, during the second week in July, and slaughter supplies during the last half of the month were much larger than in the first half. Supplies continued relatively large during the first week in August. The increase in the last half of July was not sufficient to offset the reduction in marketings during June, and inspected slaughter amounting to 2,802,000 head during July was 15.6 per cent smaller than in June. July slaughter was only 1.3 per cent larger than the unusually small slaughter for July last year, but in comparing slaughter for the month with that of a year ago it should be recognized that there was one less day for slaughter this July than last. Inspected slaughter per market day was 5.3 per cent larger in July 1932 than in July 1931. In addition to the smaller number of slaughter days in July this year the fact that July 4, a holiday, was on Saturday in 1931 and on Monday in 1932 is another factor involved in the comparison of July slaughter with that of July 1931. The average live weight of hogs at 7 principal markets was about 3.5 per cent smaller than in July last year, so that the total dressed weight of hogs slaughtered probably was less than that of a year earlier.

Slaughter of hogs under Federal inspection during the ten months ended July 31 totaled 40,433,000 head which was an increase of 6.1 per cent over the number slaughtered during the same period a year ago. Due to the lighter average weight of hogs slaughtered the increase in total dressed weight was only about 3 per cent for this period. The increase in domestic consumption of pork and lard, however, was greater than the increase in total dressed weight since exports of these products were smaller during the 10-month period.

The proportion of packing sows in the market supply during the last two months apparently has been smaller than in those months last year. This, together with the lighter average weight of other hogs marketed, probably accounts for the spread between prices of light weight and heavy weight hogs during this period being smaller than that of a year earlier.

The July hog-corn price ratio, based on Chicago prices was 14.4 as compared with 12.0 in June and 11.1 in July a year earlier. The ratio this July was the highest since April 1927. If this ratio of hog prices to corn prices should be maintained at or near the present high level it will tend to cause hogs to be fed to heavier weights and to delay marketings somewhat.

The trend of wholesale prices of fresh pork in recent weeks has been very similar to that of hog prices; advancing from the end of June to mid-July and declining somewhat thereafter. Cured pork prices advanced only moderately in late June and early July, but the advance was fairly well maintained during the remainder of the month. Lard prices were materially higher in July than June.

United States exports of lard continued to increase during June, but the total pork export movement was slightly smaller than in May. June pork exports were about 3 per cent smaller than in the preceding month, but they were 20 per cent smaller than in June a year ago. Lard exports in June were 10 per cent larger than in May, and 19 per cent larger than in June last year. Despite the increased exports of lard during recent months, total lard shipments for the first nine months of the current marketing year October 1931 to June 1932 were 3 per cent smaller than in the corresponding months of 1930-31. Pork exports during this period were 32 per cent smaller than last year. Shipments of pork from the principal ports were larger in July than in June, but lard shipments from these ports were reduced.

Storage supplies of hog products were reduced during July. Holdings of pork amounting to 643 million pounds were 11 per cent smaller than on July 1 and 10 per cent smaller than on August 1 last year. Lard stocks on August 1 of 122 million pounds were 7 per cent smaller than at the beginning of the preceding month, but they were about the same as on August 1, 1931.

CATTLE

Prices of the better grades of slaughter cattle continued their upward seasonal trend during July but fluctuated sharply from week to week. During the last week of the month choice steers at Chicago averaged $9.25 per 100 pounds, which was the highest weekly average since in January and 84 cents higher than in the corresponding week last year. Prices of the lower grades of slaughter cattle and stockers and feeders advanced sharply during the first half of the month, but declined during the last half. Beef steer prices at Chicago in July averaged $8.91 for choice, $8.13 for good, $7.06 for medium and $5.40 for common grade. Prices of nearly every class and grade of cattle averaged higher in July than in June, but only the better grades averaged above the levels of a year earlier.

Market supplies of cattle were unusually small during July. Compared with a year earlier receipts at 7 markets were 21 per cent smaller and inspected slaughter was 13 per cent smaller. Calf slaughter in July was 9 per cent smaller than that of a year earlier and inspected slaughter of both cattle and calves was the smallest for the month in eleven years. Receipts of beef steers at Chicago were 28 per cent smaller than in July last year. Supplies of the lower grades were 21 per cent larger but supplies of good and choice grades were 40 per cent smaller. A portion of the reduced supply of

cattle and calves in July below July last year was due to the fact that the month had one less market day this year than last. The supply per market day, however, was considerably smaller than that of a year earlier.

Marketings of grain-fed cattle during the remainder of the summer are expected to continue smaller than those of a year earlier. The number of cattle on feed for market in the Corn Belt States as of August 1 this year is estimated to have been 5 per cent smaller than on August 1, 1931. The estimated number on feed in the Eastern Corn Belt was 14 per cent larger this year than last, but in the Western Corn Belt a 12 per cent reduction was indicated, most of which was in the area west of the Missouri River. Reports from cattle feeders as to the weights of cattle on feed when compared with similar reports received last year indicate that the proportion of the total number on feed August 1 this year weighing under 900 pounds was considerably larger than a year earlier, but that the number on feed weighing 900 to 1,100 pounds and over 1,300 pounds constituted a much smaller proportion of the total.

Stocker and feeder shipments of cattle and calves from the principal markets during July were about 19 per cent larger than in July last year. Shipments during each of the preceding six months were much smaller than in the corresponding months of a year earlier, and for the seven month period, January to July inclusive, the total movement from the principal markets was about 26 per cent smaller than those of the corresponding period in 1931. Shipments of calves represented a larger than usual proportion of the total movement during that period.

Information received from a large number of cattle feeders as to their intentions to purchase feeder cattle during the five months, August to December, 1932, and the number they purchased during the corresponding period last year, indicates a considerable increase in such purchases this year. While the largest increases in the prospective movement are in the western part of the Corn Belt where the short corn crop in 1931 greatly reduced cattle feeding during the 1931-32 season, an increased movement into nearly every State is indicated. Comments accompanying the reports, however, indicate that the extent to which the intentions will be carried out will depend considerably upon the availability of credit for financing feeding operations.

BUTTER

Butter prices rose sharply from the last week in June to the first week in August. Butter production in June was less than a year earlier and the increase in production from May to June was unusually small. Cold storage holdings of creamery butter on August 1 were the smallest for that date since 1925. The net-into-storage movement in June and July was about the same as the light movement a year ago. Domestic butter prices rose in relation to foreign prices (on a gold basis) in July, but the margin of domestic over foreign prices is decidedly less than the tariff rate.

Creamery butter production in June of 187.0 million pounds was 3.9 per cent less than the record June production in 1931 and the smallest for June since 1928. The increase in production from May to June was only 2.4 per cent compared with the usual seasonal increase of about 12 per cent.

The seasonal increase in production has been small, because of a shift toward fall freshening, poor pastures, and reduced grain feeding. The index number of butter production (1925-1929 = 100, adjusted for seasonal variation) declined from 113 in May to 103 in June. In December, 1931, the index stood at 134 and in the drought period of 1931, at 94.

June butter production in the New England, Southern and Pacific Coast States was larger than a year earlier. In the West North Central States, production was 5 per cent less and in the East North Central States, 6 per cent less than a year earlier.

Milk production per cow on August 1 as reported by crop correspondents was 13.51 pounds, the lowest on record for August 1 (since 1925), 3 per cent less than August 1 a year earlier and 6 per cent less than two years earlier. The decline in production from July 1 to August 1 was about average.

Crop correspondents reported milking 72.9 per cent of the cows in their herds on August 1. This was about 1 per cent less than a year earlier and the lowest for August 1 since 1926.

The condition of dairy pastures on August 1 at 69.5 per cent of normal was higher than in the drought period a year ago, when the condition was reported as 64.2 per cent of normal, but about 13 per cent below the 1920-1929 average for that date. The decline in condition from July 1 to August 1 was more than the usual seasonal decline.

There was a marked upward trend in butter prices in July. For the week ended August 6 the price of 92 score butter at New York averaged 20.7 cents compared with the seasonal low point of 16.3 cents for the week ended July 2. The average price in July of 18.2 cents was 1.2 cents higher than in June, but 6.8 cents less than a year earlier. Ordinarily there is little seasonal change in prices from June to July. The shift toward fall freshening has probably been a factor tending to reduce production in the spring and summer, and causing the seasonal rise in prices to start earlier than usual. The farm price of butterfat on July 15 of 14.4 cents was slightly lower than on June 15 and 6.7 cents less than a year earlier.

Trade output of butter in June of 131.9 million pounds was 6 per cent less than a year earlier. Retail prices of butter in June were 22 per cent less than in June 1931. These changes in trade output and retail prices indicate that consumer expenditures for butter in June were about 27 per cent less than in June, 1931.

Cold storage holdings of creamery butter on August 1 of 110.1 million pounds were 5.0 million pounds less than the small holdings of a year earlier and the smallest for August 1 since 1925. The net-into-storage movement in July of 25.8 million pounds was somewhat less than in July, 1931, and the smallest for July since 1921.

Foreign butter prices (on a gold basis) rose during the first three weeks in July, but declined during the last week in July and early August. On August 4, the price of 92 score butter at New York was 7.2 cents higher than the Copenhagen official quotation; 3.5 cents higher than Danish butter in London and 4.3 cents higher than New Zealand butter in London.

CHEESE

Cheese prices rose sharply in July. Production of cheese and other dairy products in June were decidedly less than a year ago. The movement of cheese into storage has been unusually light and cold storage holdings on August 1 were the smallest for that date in eight years. Foreign cheese prices declined slightly during the latter part of July, but the margin of domestic over foreign prices of about 4 cents is less than the tariff rate. Imports of cheese have been decidedly less than a year ago.

Cheese production in June of 58.8 million pounds was 8.3 per cent less than a year earlier and 13.1 per cent less than the record June production in 1930. The increase in production from May to June of 17 per cent was about the same as the usual seasonal increase. June production was decidedly lower than in the same month of the preceding year in the main producing areas of the Middle West and in the important fluid milk territory of the Northeast The only groups of States in which June production was larger than a year earlier were the Southern, Mountain and Pacific Coast States.

The ruling price of cheese (twins) on the Wisconsin Cheese Exchange rose from 8.5 cents on July 8 to 10.0 cents on July 29. The average price in July of 8.9 cents was 0.3 of a cent higher than in June, but 2.6 cents lower than in July, 1931.

The movement of cheese into consumptive channels in June of 46.8 million pounds was 10.2 per cent less than in June 1931. The retail price of cheese in June of 22.3 cents was 15.8 per cent less than a year earlier. The changes in trade output and retail prices indicate that consumer expenditures for cheese in June were about 25 per cent less than in June, 1931.

The movement of American cheese into storage in July of 9.4 million pounds was unusually light; being the lowest for July since 1921 compared with the 5-year average for July of 16.6 million pounds. Cold storage holdings of American cheese on August 1 of 63.3 million pounds were 10.4 million pounds less than a year earlier and the smallest for August 1 since 1923.

Foreign cheese prices (on a gold basis) declined slightly in July, in contrast with the rise in domestic prices. On August 4, the price of single daisies in New York of 13.2 cents was about 4.0 cents higher than Canadian cheese in London.

Imports of cheese in June of 3.8 million pounds were about 25 per cent less than in the same month of 1931.

EGGS

Egg prices rose seasonally during July, the advance being continued into early August at a somewhat greater rate. Present abnormally low storage stocks, may have a decided influence on the course of egg prices during the fall months; although this is likely to be neutralized to some extent by the low purchasing power of consumers and the possibility of relatively heavy production of fresh eggs.

The price of special packed mid-western eggs at New York averaged 18.3 cents in July; a rise of about 1.1 cents from the June average. Similar advances occurred in the price of rehandled receipts, which averaged 15.1 cents, and in the farm price which advanced to 12.0 cents on July 15. By August 9 the price of special packed mid-western eggs had risen to 24¾ cents.

Receipts of eggs at the 4 markets during July were the lowest in eleven years; being 1,024,000 cases compared with 1,124,000 cases a year ago and a 5-year average of 1,241,000 cases. Most of the shortage occurred in the first half of July, and in early August the level of receipts was about the same as a year ago. Receipts from the far west have been reduced more below last year than have receipts from other important areas.

With 4 to 5 per cent more layers in farm flocks than last year there is the possibility of production this fall and winter being at least as heavy as in the fall and winter of 1931. At present also, the farm prices of chickens and eggs are relatively higher compared to pre-war averages than are many other agricultural commodities. The farm price index on July 15 was 57 per cent of its pre-war July average while the poultry index was 77 per cent. United States cold storage holdings of case eggs on August 1 were 6,422,000 cases compared to 9,504,000 cases a year ago and a 5-year average of 10,181,000 cases. Stocks this year are the lightest in sixteen years.

Consumption continues somewhat lighter than a year ago. Apparent trade output in the 4 markets in July was 984,000 cases compared to 1,143,000 cases in July 1931. For July this year trade output was 96 per cent of receipts at these markets while last year it was 102 per cent; there being some withdrawals from storage.

CHICKENS

Chicken prices rose during July while the usual seasonal course of chicken prices at that time is downward. Receipts dropped rather sharply in July and storage stocks are now below those of last year.

The farm price of chickens on July 15 was 11.7 cents per pound or 0.3 of a cent higher than on June 15 and only 2 per cent below the 1910-1914 July average. Compared to pre-war, chickens are relatively higher than most other farm products.

Receipts of dressed poultry at 4 leading markets in July were light compared to recent years; being 18.3 million pounds compared to 24.6 million pounds a year ago and a 5-year average of 21.1 million pounds. With an increase of over 7 per cent in the number of chickens being raised this year and relatively favorable chicken prices, receipts of poultry this fall and winter are likely to be heavier than during the fall and winter of last year.

United States cold storage stocks of frozen poultry on August 1 were 31.4 million pounds compared to 36.4 million pounds a year ago and a 5-year average of 41.4 million pounds. The into-storage movement has not begun yet while last year at this time there was a considerable volume going into storage.

LAMBS

The trend of lamb prices was downward during July. Prices advanced during the first week of the month, when the top price at Chicago reached $7.50 per 100 pounds, largely as a result of sharply curtailed market supplies. With larger market receipts and higher temperatures during the following two weeks prices fell sharply; the decline amounting to as much as $1.00 per 100 pounds in some instances. Some recovery occurred during the last week in July and the first week in August, but the average price of good and choice lambs at Chicago for the week ended August 6 was about 45 cents per 100 pounds below the average for the week ended July 9. The July average price of good and choice lambs at Chicago was $6.27 compared with $6.44 in June, and $7.67 in July 1931. Prices of slaughter ewes averaged slightly higher in July than in June.

Slaughter of sheep and lambs under Federal inspection in July amounting to 1,384,000 head was 9.5 per cent smaller than in June and 7.2 per cent smaller than during the corresponding month last year. The reduction in slaughter for the month compared with July last year was due largely to the smaller lamb crop this year and to the fact that July had one less slaughter day than July 1931. The proportion of lambs in the market supplies from Washington and Idaho increased during the month. Reports indicate that these lambs were generally in good condition and were fairly uniform in quality. On the other hand the quality of the native lambs in the supplies varied considerably, as is usual for this time of year.

The United States lamb crop of 1932 was estimated at 29,717,000 head, which was 8 per cent smaller than the 1931 crop, and 1 per cent smaller than the 1930 crop. The lamb crop in the native sheep States was slightly larger this year than last, but in the western sheep States, including Texas and South Dakota, the 1932 lamb crop was 12 per cent smaller than that of 1931. Decreases from last year occurred in all Western States except Texas, South Dakota and Washington. The largest decreases were in the States included in the intermountain area where most of the late western lamb crop is produced.

Although the western lamb crop is smaller this year than last, the extent to which this decrease in numbers will be reflected in marketings will depend upon the proportion of ewe lambs retained to replace heavy death losses and other disappearance of ewes during the last year. In view of the adverse financial conditions in the western sheep industry it is probable that a smaller proportion of the ewe lambs from the 1932 crop will be retained for flock replacements than from any other crop in recent years. The total number of lambs marketed, however, is not expected to be as large as last year.

WOOL

The volume of trading in wool on the Boston market has increased materially in recent weeks. Prices for the week of August 6 showed no quotable increase, but reports indicated that prices were firm and that in some cases they may have strengthened. There were some declines in prices during the first half of July but since the middle of the month quotations have been

steady. For the week ended August 6 fine (64s, 70s, 80s) strictly combing territory wools, scoured basis, were 35-37 cents a pound at Boston compared with 37-39 cents one month earlier. Territory 56s were 29-31 cents a pound the first week of August compared with 30-32 cents in July. Prices for Ohio and similar wools on a grease basis ranged from 12 to 15 cents per pound. Farm prices on July 15 averaged 7.0 cents a pound compared with 7.2 cents on June 15 and 12.7 cents on July 15 last year.

The London sales are now closed until September 20. Prices at the close of the July series were below the high point of that series but showed decided improvement compared with the close of the previous sales in June. Prices also advanced at Bradford and considerable new business in tops was reported the first half of July. After the close of the London sales a quieter tone prevailed. Prices remained firm but business was only moderate and manufacturers were cautious. There was some improvement in business in France and Italy in early July.

Figures on reported consumption of combing and clothing wool in the United States during June showed an increase of 16 per cent above the low point reached in May. Reported consumption in June was 15.2 million pounds (grease equivalent) compared with 13.1 million pounds in May. Reported consumption of combing and clothing wool during the first six months of 1932 was only 64 per cent as large as during the first half of 1931.

Receipts of domestic wool at Boston from January 1 to July 30 amounted to 108.8 million pounds compared with 184.6 million pounds received during that period in 1931. Total imports of foreign wool into the United States for the first half of 1932 were 13.2 million pounds compared with 28.2 million pounds imported in the first six months of 1931.

A world clip about equal to that of last season's total of 3,313 million pounds (exclusive of Russia and China) is indicated by preliminary reports for 1932. In the United States a decrease of 7.3 per cent is estimated in shorn wool production. The increase in production in Australia and New Zealand combined is now estimated at about 2 per cent. It seems probable that the coming clip in the Union of South Africa will show some increase unless weather and feed conditions grow decidedly worse. Conditions in Argentina appear satisfactory whereas in Uruguay losses of sheep were reported at the time of last shearing and weather in the northern part of the country has been excessively wet since then.

The 1931-32 marketing season has now closed in most Southern Hemisphere countries. Stocks at selling centers on July 1 were heavier than those of the same date last year; the increase being especially marked in New Zealand. Exports for the season from the 5 chief producing countries of the Southern Hemisphere were about 5 per cent smaller than those of the previous season when they were unusually high.

COTTON

From June 9 to August 11 prices of American cotton in the 10 spot markets advanced from 4.76 cents to 7.14 cents per pound or 2.38 cents which is equivalent to $11.90 per bale. This was the greatest advance for any like period since the temporary advance which took place in June 1928 and exceeded the rise of June 1931 which took place under the stimulus of the Inter-Governmental debt moratorium. More than half of the advance occurred from August 5 to August 11. The release of the Government forecast indicating a crop smaller than the trade had anticipated proved a strengthening factor in the market, but cotton prices were also strengthened by the improvement in sentiment that stimulated the security and other commodity markets. Additional factors include an improvement in the demand for cotton textiles in the United States and a continuation of the relatively heavy export movement.

As a result of the forecast of a domestic crop more than a million bales smaller than the world's consumption of American cotton during the season just closed and other favorable developments in the economic situation cotton prices in the 10 designated markets reached 7.14 cents on August 11. This was the highest these prices have averaged for more than a year. Prices of most foreign cottons also advanced but not as much as did prices of American. In July the price of Indian Oomra No. 1 averaged 91.2 per cent of American middling at Liverpool but on August 5 it had dropped to 89.3 per cent and on the day following the crop estimate (August 9) it amounted to only 87.1 per cent of the price of American. While this is perhaps the highest that American has been relative to Indian for some months, the American price is still relatively low in comparison with previous years.

The Department's forecast of 11,306,000 bales based on conditions as of August 1, if realized will give a crop 34 per cent (5,790,000 bales) less than the 1931 crop, 3,352,000 bales (23 per cent) less than the average of the last five years, and the lowest since 1923. The average yield for the United States is forecast at 149.6 pounds per acre which is 51.6 pounds or 25.6 per cent below last year and 1.8 pounds less than the average from 1921 to 1930. The condition is reported as 65.6 per cent of normal, compared with 74.9 per cent last year and the 10-year average of 66.4 per cent. The Crop Reporting Board stated that the prospects for the crop are more uncertain than usual because boll weevils are present in greater numbers than in any year since 1928 and consequently weather conditions for the remainder of the growing season will be of more significance than ordinarily. The small amount of fertilizer applied to the crop this season was given as one of the causes for the relatively low condition of the crop. The poorest yields, relative to normal, are forecast for North Carolina, Mississippi and Louisiana where the forecasted yields are below the 10-year average by 46, 34, and 26 pounds per acre respectively.

Exports of American cotton in July totaled about 330,000 running bales according to data released by the New York Cotton Exchange. During July last year the Bureau of the Census reported exports at 259,000 bales. The trade report placed the total 1931-32 season's exports at 8,736,000 bales or almost 2 million bales larger than the previous season. With the exception of 1926-27 the season just closed is the only one since 1913-14 in which total exports of raw cotton from the United States exceeded 8.3 million bales. During the first ten days this season trade reports show that exports totaled 122,000 bales compared with only 43,000 bales last season.

Textile activity in Great Britain has apparently decreased slightly in the past two or three weeks. Forwardings to mills recently indicate that activity there is now no longer above a year ago. Demand for goods is said to be below the restricted output. On the Continent, France has perhaps shown a slight increase in mill activity with unfilled orders equivalent to approximately three months production. In Germany some improvement in the demand for cloth has recently been reported but mill activity continues unchanged at about 60 per cent of normal. Japan, according to reports, continues to maintain a high rate of activity although sales of yarn and cloth have recently run below production. June exports of cotton cloth from Japan, however, reached a new high, the 175.4 million yards exceeding the previous record (of August 1929) by about 11.5 million yards, or 7 per cent. They exceeded May exports by 15.5 million yards or 10 per cent.

The world carry-over of American cotton on August 1 this year was estimated by the New York Cotton Exchange Service at 13.3 million bales compared with 8.9 million bales on August 1, 1931 while the New Orleans Cotton Exchange places the carry-over at 12.9 million bales this year against 8.7 million last year. These carry-over figures and the present estimate of production indicate a world supply of American cotton for the 1932-33 season of 24.2 to 24.6 million bales whereas in 1931-32 the world supply was about 25.9 million bales.

Business Statistics Relating to Domestic Demand

Year and month	Industrial production	Factory payrolls	Factory employment	Commodity prices: United States: At farms	Commodity prices: United States: Wholesale 3/	Commodity prices: United States	Commodity prices: Foreign 4/: In currency	Commodity prices: Foreign 4/: In gold	Interest rates	Industrial stock prices
	1923-1925=100 1/			2/	1910-1914 =100	1926 = 100			5/	6/
1929										
June	125	110	102	135	139	95	94	96	6.00	315
July	124	109	102	140	141	96	94	96	6.00	344
Oct.	118	106	100	140	139	95	94	96	6.19	321
1930										
Jan.	106	97	94	134	135	92	90	92	4.94	252
Feb.	107	95	93	131	133	91	88	90	4.68	268
Mar.	104	94	92	126	132	90	86	88	4.31	277
Apr.	104	95	92	127	131	90	86	88	3,88	288
May	102	93	91	124	130	89	84	86	3.73	269
June	98	91	89	123	127	87	84	85	3.54	239
July	93	85	86	111	123	84	83	84	3.16	232
Aug.	90	82	85	108	123	84	83	84	3.00	231
Sept.	90	83	84	111	123	84	81	83	3.00	232
Oct.	88	78	83	106	121	83	80	81	2.92	196
Nov.	86	74	81	103	119	81	79	80	2.88	182
Dec.	84	73	79	97	116	80	78	78	2.88	170
1931										
Jan.	83	70	78	94	114	78	76	77	2.85	168
Feb.	86	72	77	90	112	77	76	76	2.63	181
Mar.	87	72	78	91	111	76	76	76	2.52	182
Apr.	88	72	78	91	109	75	76	76	2.38	162
May	87	71	78	86	107	73	74	74	2.20	143
June	83	68	76	80	105	72	74	74	2.00	138
July	82	67	75	79	105	72	74	73	2.00	143
Aug.	78	64	74	75	105	72	72	72	2.00	139
Sept.	76	62	73	72	104	71	71	68	2.02	119
Oct.	73	58	70	68	103	70	72	66	3.50	102
Nov.	73	56	68	71	102	70	72	65	4.03	104
Dec.	74	55	68	66	100	69	72	61	3.88	81
1932										
Jan.	71	54	67	63	98	67	71	60	3.88	79
Feb.	70	52	67	60	97	66	71	60	3.84	80
Mar.	67	50	66	61	96	66	71	61	3.83	82
Apr.	64	48	64	59	96	66	69	60	3.73	63
May	60	46	62	56	94	64	68	59	3.27	53
June	59	43	60	52	93	64	67	57	2.94	47
July				57					2.54	46

1/ Federal Reserve Board indexes, adjusted for seasonal.
2/ U. S. D. A., August 1909 - July 1914 = 100.
3/ Bureau of Labor Statistics' index.
4/ Weighted average of indexes for eight foreign countries - United Kingdom, Canada, Japan, France, Italy, Germany, China and the Netherlands.
5/ The Annalist. Average of daily rates on commercial paper in New York City.
6/ Dow-Jones index is based on daily average closing prices of thirty stocks.

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UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics
Washington

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THE PRICE SITUATION, SEPTEMBER 1932

FARM PRICES

The general level of prices of farm products is now probably little higher than in mid-August. Market prices of cotton and wheat advanced during August and the first week of September, while livestock prices remained fairly steady, but prices of cotton, wheat, and several other farm products declined in the second week of September.

The sharp upturn in the general level of farm prices registered in mid-July was followed by a more moderate advance to mid-August. The farm price index on August 15 was 59 per cent of the 1910-1914 average, compared to 57 on July 15, 52 on June 15, and 75 per cent on August 15 last year. All sub-groups of the farm price index advanced during the month ended August 15, with the exception of meat animals and fruit and vegetables.

Prices paid by farmers for goods purchased in mid-August were estimated at 108 per cent of the 1910-1914 average, compared with 109 per cent a month earlier. The exchange value of farm products for farmers' purchases increased from the low point of 47 per cent of pre-war on June 15, to 55 per cent on August 15.

WHOLESALE COMMODITY PRICES

Prices of commodities in wholesale markets advanced further during August, partly in response to smaller supplies of some commodities and an improved demand for others. The Bureau of Labor Statistics' index of "all commodities" averaged 95.6 per cent of the 1910-1914 average for the week ended September 3. This amounts to a rise of 2.6 points or 3 per cent from the low point reached in mid-June.

Of the ten groups of commodities which comprise the general index, four contributed to the general advance during August, namely, farm products, hides and leather, textiles and metals. Prices of the other groups remained fairly stable.

Farm product prices have advanced most, from 63.7 of the pre-war average for the week ended June 18 to 70.7 for the week ended September 3; a rise of 11 per cent. A part of this advance has, however, been lost by the decline in cotton and grain prices which occurred during the second week of September. The index of food prices advanced from 90.7 for the week ended June 18 to 96.9 for the week ended August 13, and declined to 95.5 for the first week of September, the 2 per cent decline being due to lower prices of livestock. Hides and leather prices, which reached their lowest levels in July, advanced from 106.2 to 109.5; a 3 per cent advance while textile prices advanced from 92.9 the last week of July to 98.0 the first

week of September. Metal prices, also reached their lowest levels at the end of July and then advanced from 92.6 to 94.0.

In contrast to the rising prices for these groups are the price movements in the two groups, fuel and lighting, and building materials. Fuel and lighting prices, chiefly gasoline, was the only group to advance during the first half of this year in the face of general price declines, but no further advances have occurred since the first week of July. From an average of 139.1 reached then, this group has declined to 137.0 on September 3. Prices of building materials reached their lowest level as late as August 13 at 125.7 and have since advanced slightly to 126.6.

BUSINESS CONDITIONS

Pronounced activity with rising prices in security and commodity markets prevailed during the month of August and the first week of September, while business activity in general remained near the lowest level so far reached in this depression, but the first week of September showed some improvement in business activity due to expansion in textiles. It was generally assumed that a continued improvement in the banking situation throughout the country and an improvement in the world credit outlook was chiefly responsible for the advance in security and commodity prices.

The banking and credit situation has continued to improve. This is indicated by fewer bank failures, increased gold stocks and increased bank reserves and deposits. Banks have also increased their investments in Government securities, but continued to reduce their loans. While loans on securities were lower the last week of August than in the previous week, loans for commercial purposes were not further reduced that week.

Industrial activity in August remained at the low level reached in July with improvement in the textile industry offsetting curtailment in automobile production. Steel production was not materially changed, but unfilled orders increased slightly during August in contrast to the curtailment of the past year and a half. Building activity also remained practically unchanged though at a slightly higher level than the low point reached last spring; greater activity in public utility and public works construction offsetting a reduction in residential construction. Employment and payrolls were lower by 3 per cent and 5 per cent respectively in July than in June, and probably remained near their low levels during August. While there were numerous reports of resumed business activity here and there, they have apparently not been of sufficient importance to raise the general level. The stability indicated above, however, is in contrast to the declining trend which prevailed during the first half of the year.

The improvement in agricultural prices and greater stability in industrial activity during August has been reflected in a greater degree of stability in farm cash incomes. The value of farm marketings of livestock and livestock products during August was equal to that of July in contrast to a decline from July to August last year. Meat animals brought a somewhat greater income while dairy and poultry products brought somewhat less in August than in July.

The rise in security prices which began in July continued during August and the first week of September. During this advance industrial and public utility stocks have, on the average, more than doubled their extremely low values of last July and railroad stock prices which had fallen much more than these, made even greater advances.

Maintenance of these recent gains and continued stability in the general level of commodity prices has, no doubt, helped to check the decline in business activity and to enable business enterprises to make plans for expansion. To the extent that this change results in increased industrial activity it should eventually result in considerable improvement in the domestic demand for farm products.

WHEAT

In July and August world wheat prices moved upward. In the United States price movements have been characterized by a series of sharp advances and abrupt declines which have tended to obscure the trend. At Liverpool the individual advances, while smaller, have been much more consistently maintained and the upward trend has been more apparent. Then too, the net advance at Liverpool has been greater, resulting in a tendency for the spread between Liverpool and Chicago futures to widen. In the principal markets of continental Europe, on the other hand, where trade restrictions had maintained prices at high levels there were sharp declines during July and early August, as the new crops moved to market. Nevertheless, prices at the principal continental markets remained more than twice as high as prices at Liverpool.

In the United States the average farm price as of mid-August was 38.5 cents per bushel compared with 35.6 cents in July, and 35.4 cents for July 1931. There has been a significant increase in prices of winter wheats but the average prices of spring wheats have shown little net change. Thus No. 2 Hard Winter at Kansas City advanced from 42.8 cents per bushel for the week ended July 1 to 49.1 cents for the week ended September 9, while No. 1 Dark Northern Spring at Minneapolis averaged 61.9 and 60.9 cents respectively for those weeks.

The total wheat crop of the United States is now placed at 715,000,000 bushels compared with 894,000,000 last year. While the carry-over was somewhat larger than last year the total supply is smaller for this year than last, amounting to 1,078,000,000 bushels compared with 1,213,000,000 last year. Total United States supplies for the current season are smaller than for any year since 1929 and are but little larger than in 1928 and 1929. Domestic consumption during 1932-33 seems likely to be about 660,000,000 bushels, including 500,000,000 for food, 79,000,000 for seed and about 80,000,000 bushels remaining for feed and waste. This allows for a marked reduction from the amount fed in the past two years when total disappearance (the statistical approximation of consumption) amounted to 728,000,000 in 1930-31 and 723,000,000 bushels in 1931-32. If the domestic consumption should total 660,000,000 bushels it would then be necessary to export only about

55,000,000 bushels to prevent the carry-over from increasing and any additional exports would result in a reduction of the carry-over. The smallest net export of the past 20 years was in 1930-31 when net exports totalled 112,000,000 bushels.

The reduction of total supplies of wheat this year as compared with last is largely the result of the smaller hard winter wheat crop. The carry-over of hard red winter into the current season is estimated to have been increased by about 70,000,000 bushels, but the reduction in the crop from 494,000,000 to 245,000,000 bushels has resulted in the total supply of that class of wheat being about 180,000,000 bushels smaller than last year and about 64,000,000 bushels smaller than the average supply of the past three crop-year (1929-30 to 1931-32). As hard red winter comprises the bulk of the abnormally large carry-over of recent years, the great reduction of supplies of this class of wheat will probably be of especial significance in lessening export pressure during the current season.

Supplies of soft red winter wheat are about 65,000,000 bushels below last year and 15,000,000 bushels below the average of the past three years. As the carry-over was above average, this reduction is due to the reduced crop which is estimated at 147,000,000 bushels compared with 249,000,000 last year and an average of 197,000,000 bushels.

Both hard red spring and durum wheat supplies are larger than last year when they were drastically reduced by the very short crop. Supplies of hard red spring apparently amount to about 244,000,000 bushels compared with 155,000,000 last year and an average of 213,000,000 for the past three years. This average supply, it should be recalled, is held down by the moderately short crop of 1929 as well as the very short crop of 1931. Durum wheat supplies amount to about 57,000,000 bushels this year compared with 46,000,000 last year which was about average for the past three years.

White wheat supplies are larger this year than last year when they were reduced by a short crop but are about at the average level of the past three years. Carry-over for this year is estimated at about 15,000,000 bushels and the crop at 87,000,000 bushels compared with 22,000,000 and 68,000,000 bushels respectively for 1931 and averages of 21,000,000 and 80,000,000 bushels for the past three years.

The supply of the various classes of wheat, together with consumption by classes in past years, indicates that the exportable surplus of the United States consists primarily of hard red winter and white wheats, together with a small amount of durum. Despite the fairly large production of hard red spring it is not likely that any considerable amount will be exported. Rather, the carry-over will be built up to assure adequate supplies in case of smaller yields another year and only limited amounts

of Pacific Coast or of low protein hard red spring wheat will be exported. Usually soft red winter wheat, like hard red spring, is practically on a domestic basis, but this year an unusually short crop will tend to act as a special deterrant to any considerable exports.

There has been relatively little change in world wheat production prospects during the past month. The total crop of the Northern Hemisphere, excluding Russia, is about the same as the 1931 crop, but production in the importing countries of Europe is considerably larger this year. The first official Canadian forecast places the crop of that country at 467,000,000 bushels compared with 475,000,000 forecast in the Price Situation in June. The indicated production in Canada together with the estimated carry-over as of July 31 would provide a total supply of 598,000,000 bushels compared with 456,000,000 for last year. This increase of 142,000,000 bushels in the Canadian supply slightly exceeds the decrease of 135,000,000 bushels indicated in the United States supply. Russia is believed to have a smaller crop than last year.

These conditions point to smaller import "requirements" and to smaller exportable surpluses in the Northern Hemisphere than those of the 1931-32 season. Remaining supplies in the Southern Hemisphere as of September 1, are also estimated to be about 25,000,000 bushels less than a year ago. The larger wheat crops of the importing countries of Europe will presumably tend to increase total wheat consumption, but this will to some extent at least be offset by the larger rye crop.

The outturn of the 1932-33 crops of the Southern Hemisphere remains altogether uncertain. Both Australia and Argentina are reported to have sown larger acreages than last year. Last year's sowings in both these countries had been greatly reduced from the previous year, but as these reductions were partly due to adverse weather conditions some increase was to be expected this year.

Such improvement as has taken place in world wheat prices during the past two months must be attributed primarily to a generally improving financial and business outlook, rather than to changes in the supply situation, though confirmation of early indications of smaller exports from Russia presumably have also been of significance. United States prices have slowly been establishing a more nearly normal differential relative to Liverpool. On September 12 at closing prices the spread between Chicago September futures and Liverpool October futures was nearly 9 cents per bushel while Kansas City was 14 cents below Liverpool. Under present conditions this seems about sufficient to develop a free export movement. The volume of United States exports depends largely (under normal wheat exporting conditions) upon the length of the periods when the United States market is on an "export basis".

CORN

During August and early September corn prices fluctuated within a fairly narrow range and showed no definite trend. The weekly average price of No. 3 Yellow at Chicago ranged from 31.4 to 35.0 cents per bushel during the 6-weeks period and for the week ended September 9 was 32.2 cents per bushel. The United States average farm price as of mid-August was 30.2 cents per bushel compared with 29.9 cents for the previous month and 50.3 cents in August 1931.

Ample moisture supplies and favorable temperatures during August increased the prospective yields through much of the central and western parts of the Corn Belt and these increases more than offset small decreases in other regions. As a result the corn crop is now estimated at 2,854,000,000 bushels or 34,000,000 more than was indicated a month ago. September 1 conditions indicate that this year's crop will be the largest harvested since 1925 when the total crop was almost indentically the same as that indicated for this year. Last year the corn crop amounted to 2,563,000,000 bushels and in 1930 only 2,060,000,000 while the average production for the five years 1924 to 1928 is 2,625,000,000 bushels.

The yield per acre of corn indicated by September 1 conditions is about one bushel less than the 10-year average (1919-1928). The increase of the total production over that of recent years is due partly to an increased acreage and partly to recovery from lower than average yields. The 1932 acreage was about 3 per cent in excess of that of last year and about 9 per cent larger than the average area for the five years 1924-1928.

Since yields of oats and barley this year are about average while yields of grain sorghums are only a little below average, and acreages of barley and grain sorghums have been somewhat increased, total production of other feed grains is about average. The combined production of the four feed grains, corn, oats, barley and grain sorghums is indicated by the September estimates to be about 110,600,000 tons compared with 97,600,000 last year, 87,300,000 in 1930 and an average of 102,200,000 for the five years 1924-1928. The hay crop is slightly larger than a year ago but below average.

Commercial stocks of corn increased from 10,800,000 bushels on August 6 to 15,821,000 September 10. Stocks usually decline during August, but this year a marked increase of receipts in the face of a poor industrial and shipping demand resulted in the increase. August receipts, while large relative to previous months of the current year were not large in comparison with previous years. They amounted to 15,200,000 bushels compared with 11,500,000 last August and an average for that month of the past five years of 17,500,000 bushels. The unusually small volume of receipts in previous months is shown by the fact that total receipts during the first ten months (November to August) of the current season amounted to only 102,200,000 bushels compared with 175,200,000 during the corresponding period of last season and an average of 225,800,000 bushels for the 10-months period of the past five seasons (1926-27 to 1930-31).

Reported wet process grindings for August showed a marked improvement over both the previous month and over August of last year, but they remained below the average of recent years. The August total was 5,200,000 bushels compared with 4,300,000 bushels in July and 4,700,000 for August of last year. Average grindings during August of the past five years, however, amounted to 6,300,000 bushels.

The recent rise of commercial stocks which resulted when receipts rose to about average volume is indicative of the poor demand for the shipment of corn into deficit areas for feeding purposes. As indicated in last month's Price Situation this poor shipping demand, despite low prices of corn is largely the result of low prices of meat animals and of dairy and poultry products. These make it impossible for feeders to bear the relatively large expense involved in distant shipment of corn.

APPLES

The production forecast of the total apple crop as of September 1, was increased slightly over that of a month previous. The forecast is now placed at 138,461,000 bushels compared with a crop of 202,415,000 bushels last year, and the 1924-1928 average of 180,262,000 bushels. Of the total United States crop 29,617,000 barrels are expected to enter commercial channels this season compared with 34,592,000 barrels in 1931 and a 5-year average of 32,373,000 barrels. Commercial production of apples this season as compared with last year, is indicated to be larger by 9 per cent and 16 per cent respectively in the North Atlantic and Western States. These increases, however, are more than offset by decreases of 60 per cent in the North Central States and 51 per cent in the South Atlantic and South Central States combined.

Car-lot shipments of apples from the beginning of the 1932 season to September 10, totaled 5,737 cars compared with 8,402 cars to September 12 last year. Shipments from the Western States were only 18 per cent less than in 1931, but were 42 per cent less from the Eastern States.

The farm price of apples declined sharply from mid-July to mid-August or from 86.2 to 65.1 cents per bushel. On August 15 last year the farm price averaged 77.4 cents per bushel. About one-half of the decline in price from July to August this year may be attributed to seasonal factors while the other half may be attributed to the decline in consumer purchasing power. In years of apple production similar to the present crop there has been an average decline in the farm price from mid-July to mid-August of 12 per cent. This year the decline was 25 per cent. It was greatest in the North Atlantic and East North Central States, approximately 37 per cent; in the other regions the price declines ranged from 11 per cent in the Western States to 18 per cent in the South Atlantic States.

During the week ended September 5, New York and other eastern McIntosh apples were jobbing at 75 cents to $1.00 per bushel; Wealthys and Gravensteins at 50 cents to 75 cents per bushel.

POTATOES

The decline in the late potato crop during August as forecast from conditions as of September 1, and continued light shipments, raised the general level of potato prices during the last part of August and the first part of September to about the level of a year previous.

The United States average of farm prices as of August 15 at 51 cents a bushel was 3 cents higher than on July 15, but 26 cents or about a third lower than a year earlier. The mid-July farm price of potatoes was the lowest price

in at least the past 25 years, since prices paid to growers were first collected. Noticeable price advances between July 15 and August 15 occurred in the Northeastern States, due partly to crop deterioration and to a shift to new crop prices. At the same time prices declined in the North Central and far western areas, due perhaps to more favorable growing conditions in such States as Michigan and Wisconsin, and the reduced market demand in the Central States generally, which has been attributed to a much larger volume of local and home production.

At New York, prices continued downward during most of August for both Long Island and New Jersey potatoes, but by September 10 prices were 10 to 20 cents per 100 pounds higher than the low prices of August. On September 10 New Jersey potatoes sold for about 95 cents per 100 pounds and Long Island potatoes for $1.00 per 100 pounds, prices which are practically the same as those which prevailed at the same date a year ago. Similar price tendencies prevailed at Chicago where a rise of 10 cents per 100 pounds from the end of August to September 10 brought prices to about 75 cents per 100 pounds or within 5 cents of the level a year earlier.

Shipments so far this season have continued considerably below those of a year ago. For August the total United States shipments were approximately a third lower than the August shipments last year and about half of the August shipments of the preceding five years.

According to the September forecast, the potato crop in the 37 late States is 8,000,000 bushels less than in 1931. In Maine, late blight spread rapidly during August and rot developed as a result of too much rain. In New York high temperatures and too little rain were unfavorable factors. Michigan and Wisconsin had favorable growing conditions but other important potato States were affected by drought. The total crop this year is now estimated at about 357,000,000 bushels which is below last year's crop, but only 1 per cent lower than the 5-year average, 1924-1928.

This smaller supply is already reflected in relatively higher prices than prevailed last season. Thus, while the actual August 15 farm price at 51 cents was approximately equal to the average received for last year's crop, it was equivalent to a price 10 per cent higher in view of the lower general level of prices. Present prices (September 12) are equivalent to about 15 to 20 per cent higher than a year ago in view of the advances in potato prices since August 15. Crop development during the next few weeks is likely to be the chief factor in determining changes in the general level of potato prices.

RICE

Prices of rice in both the Southern Belt and California advanced during August because of prospects for a smaller crop this year and because of some improvement in domestic demand. At New Orleans, fancy blue rose sold at $2.25 per 100 pounds on September 10 compared with $1.95 a month earlier. Early prolific rough on September 3 was quoted at southern mills at $1.50 - $1.60 per barrel (162 pounds) compared with $2.00 a year earlier and $1.30 to $1.35 a month earlier. At San Francisco, fancy California-Japan was quoted at $2.25 per 100 pounds on September 10 compared with $2.20 to $2.25 on August 8.

Southern Belt

The 1932-33 supply of rice in the Southern Belt is much smaller than that of last year and smaller than the average of the last five years. It is about the size of the 1926-27 supply, which averaged $3.43 per barrel to growers. Several factors, however, are less favorable than in 1926-27. The general level of wholesale prices for the 1926-27 season was 140.9 per cent of the 1910-1914 average compared with only 95.1 in August 1932. Both foreign and domestic demand are much lower this year and 1926-27 was preceded by three years of short crops and high prices while the crops of the last few years have been relatively large and prices correspondingly low.

The new crop based on conditions as of September 1 was forecast to be 8,672,000 barrels. A reported carry-over of rough and milled rice equivalent to 1,637,144 barrels of rough makes a supply of 10,309,000 barrels for the current crop year. The supply for the 1931-32 season was 11,199,000 barrels and the average supply for the last five years was 10,730,000 barrels.

In spite of the smaller crop this year, receipts of rough rice at southern mills during August were larger than those of a year earlier. The quality of early receipts has been reported to be lower than usual.

Exports during August were about the same as those of August 1931. August and September exports are usually the smallest of the year. The new crop usually does not start moving in volume to foreign markets until October.

California

Based on conditions September 1 the California rice crop was forecast to be 2,920,500 bags (100 pounds). Stocks on August 1 were reported to be about 850,000 bags, thus the supply for the 1932-33 season (August to July) promises to be about 3,770,500 bags. Total supplies for 1931-32 were 4,184,000 bags. New crop paddy began moving to mills about the first of September with No. 1 bringing from $1.00 to $1.13 per bag. The first sales last season brought from $1.86 to $2.06 per bag. Sales of California milled rice to Hawaii, as well as exports to foreign countries, during August were considerably larger than those of a year earlier.

TOBACCO

Prices received by tobacco growers in Georgia and the Carolinas this season have averaged considerably higher than a year ago when the tobacco crop in those States was much larger than this year. The tobacco crop improved slightly during August. Moderate increases occurred in flue-cured and western fire-cured, and slight decreases in burley and Virginia fire-cured. The September forecast of this year's tobacco crop was 1,028,000,000 pounds compared to 1,601,000,000 pounds in 1931, and the 1924-1928 average of 1,299,000,000 pounds.

Auction floor markets for flue-cured tobacco opened in the South Carolina Belt, type 13, on August 16 and in the Georgia Belt, type 14, on August 18. Opening prices in Georgia averaged $10.15 per hundred pounds, compared with $7.33 per hundred pounds for the opening week in 1931. In South Carolina, also, prices averaged higher than in 1931, but the improvement was confined entirely to the lower grades. Prices for better grades were at about the same level as last year. As the season has advanced, prices have showed some improvement over those which were paid at the opening. The increases have been greatest in the case of heavy leaf and lugs, particularly the lower qualities. Nineteen North Carolina markets opened on September 6 with prices averaging materially higher than a year previous.

These improvements in prices over the low levels of 1931 may be attributed largely to the drastic curtailment in production which occurred in 1932. However, an additional factor apparently has been an increase of direct buying for export, as contrasted with last season when the amount of such buying was reported to be unusually small. Increased buying by manufacturers of 10-cent brands of cigarette tobacco may also be a contributing factor. The principal reasons for the reduced production in 1932 were, first a widespread reduction of acreage following the low prices of 1931, and later, a shortage of plants resulting from freezes and damage by blue mold and flea bugs. In addition, the weather during critical periods of the growing season was unsatisfactory in many parts of the district.

The rates of consumption of products in which American flue-cured tobacco is used showed some slackening in 1930. However, in most countries it was not until 1931 that actual declines were recorded. These declines so far appear to have carried forward into 1932, but the apparent reductions in consumption have not been as great as the reduction in available supplies. In the United States, where flue-cured consumption exceeds that in any other country, this tobacco is used in the manufacture of cigarettes and chewing and smoking tobacco. According to reports of the Commissioner of Internal Revenue covering stamp tax sales for the first seven months of 1932, compared with the same period in 1931, the apparent consumption of cigarettes declined 12.4 per cent and the consumption of manufactured tobacco (smoking and chewing combined) declined 4.4 per cent. It is not known definitely how much the consumption of flue-cured tobacco has been affected by these changes but the total decline has probably been somewhere between 5 and 10 per cent.

Numerous uncertainties still surround the situation regarding exports of flue-cured tobacco. Shipments to foreign countries during the past year have been far below those of 1930-31 and the smallest in recent years. For the first seven months of 1932 exports have totaled only 104,000,000 pounds. This is only about half as large as the quantity exported during the same period of 1931 and 33 per cent less than the 5-year average, 1926-1930, for these months. Declines have occurred for practically all of the importing countries but the reduction for China has been by far the most severe.

HOGS

Hog prices declined only slightly during August despite the relatively large slaughter supplies. The average at Chicago for the week ended September 10 was $4.16 compared with $4.26 for the week ended August 6. The average for August was $4.21 compared with $4.58 in July and $5.98 in August last year. In most years hog prices advance during August. Last year, however, they declined very sharply during that month.

Slaughter supplies of hogs usually decrease during August, but weekly slaughterings during most of that month this year were maintained near the levels of late July. As a result, federally inspected slaughter in August this year, amounting to 2,970,000 head, was 6 per cent larger than in July and almost 19 per cent larger than in August last year. It was the first time on record that federally inspected slaughter, or the equivalent commercial slaughter in August exceeded that of July. A part of this increase, however, was due to the fact that there was one more slaughtering day in August and one less slaughtering day in July this year than last. The average slaughter per slaughter day in August was about 14 per cent larger than that in August last year. Many hogs were slaughtered in August that normally would have been marketed earlier in the summer if prices had not dropped so low in May and early June. The average live weight in August was probably not greatly different from that of August last year.

Average wholesale prices of fresh pork advanced during the three weeks ended September 2. As is usual for this season of the year, prices of light pork loins advanced more than those of the heavier cuts. Cured pork prices declined during the last half of August but lard prices were steady throughout the month.

Exports of lard during July, totaling 36,000,000 pounds, were nearly 10 per cent smaller than in June but they were 3 per cent larger than in July 1931. Pork exports in July of 13,000,000 pounds were 11 per cent larger than in June but they were 10 per cent smaller than in July last year. Total exports of hog products during the first ten months of the current marketing year were 9 per cent smaller than in the corresponding period a year earlier. The decline was relatively greater in the exports of pork than in the exports of lard. Shipments of both pork and lard from the principal ports in August were smaller than in July.

Stocks of hog products in storage on September 1 were relatively small. Stocks of pork amounting to 578,000,000 pounds were 3 per cent smaller than those of a year earlier and 13 per cent smaller than the 5-year average for that date. Compared with supplies on September 1, 1931, there was a marked variation in the changes in stocks of different products. Stocks of frozen pork were 6 per cent smaller and those of dry salt meats were 29 per cent smaller but those cured by the sweet pickle process were 12 per cent larger. Lard stocks totaling 103,000,000 pounds were 7 per cent larger than those of a year earlier but they were 27 per cent smaller than the 5-year average for that date.

The relatively heavy slaughter in August continued into the first week in September and slaughter at 8 centers during the week ended September 9 was almost 20 per cent larger than in the corresponding week last year. Supplies of hogs from the 1932 spring pig crop appeared at some of the markets during the fourth week of August and have since been increasing but as yet they apparently represent a smaller proportion of the total marketings than they did in the corresponding period last year. Because of the holding back of hogs earlier in the summer total hog slaughter in September apparently will be at least as large as that of September last year which was above average.

The hog-corn price ratio declined seasonally in August, but it was still much above average. Based on farm prices the ratio was 13.4 in mid-August compared with 14.1 in mid-July and 12.3 on August 15, 1931. Ordinarily the ratio is higher in the Western Corn Belt than in the Eastern Corn Belt, but because of the short corn crop in the Western Corn Belt and the relatively large crop in the Eastern Corn Belt in 1931, the ratio has been higher in the latter area since September 1931. This shift in the relationship between hog prices and corn prices was reflected in the 1932 spring pig crop, which was 3 per cent larger than that of 1931 in the Eastern Corn Belt, but was 15 per cent smaller in the Western Corn Belt.

The prospective size and geographical distribution of the 1932 corn crop indicate that the ratio of hog prices to corn prices will continue favorable for feeding throughout the winter and that the ratio in Western Corn Belt will be higher than in the Eastern Corn Belt. This will probably result in hogs being fed to heavier weights. The proportion of the spring pig crop marketed in October and November is expected to be relatively small, while the proportion marketed in December and January probably will be relatively large.

CATTLE

Prices of the better grades of slaughter cattle were fairly stable throughout August, remaining near the levels reached in late July. Choice beef steers at Chicago averaged $9.14 for the month compared with $8.91 in July, and good beef steers averaged $8.13 in both months. After declining during the last half of July and the first week in August, prices of the lower grades of slaughter cattle strengthened somewhat, but the average for August was below that of the preceding month. The average price of all grades of beef steers at Chicago was $7.88 compared with $7.90 in July and and $8.53 in August, 1931. Highest prices were paid for choice heavy steers, the supply of which has been extremely small during recent weeks. Stocker and feeder cattle prices advanced during the month, averaging $5.23 at Kansas City, compared with $4.97 in July and $5.69 in August last year.

Market supplies during August were larger than those of July, which is the normal seasonal tendency, but they were unusually small for the month. The number of cattle slaughtered under Federal inspection amounting to 632,555 head, was 13 per cent smaller than during August, 1931 and the smallest August slaughter since 1915. Receipts of beef steers at Chicago were 15 per cent smaller than those a year earlier, and supplies of the better grades constituted a much smaller proportion of the total than in August last year. Calf slaughter in August was slightly larger than that of a year earlier.

Stocker and feeder shipments of cattle and calves from the principal markets during August were 10 per cent smaller than in August last year, but they constituted a larger proportion of total receipts of cattle and calves at those markets. For the two months July and August, stocker and feeder shipments were about 3 per cent smaller than those of the corresponding months in 1931. Records from 4 leading markets as to the kinds and weights of the stockers and feeders shipped during this 2-month's period, show that steers weighing over 800 pounds constituted a much larger proportion of the total movement this year than last, and that steers weighing less than 800 pounds, and cows and heifers constituted a much smaller proportion of the total. Shipments of calves represented about the same proportion of the total movement in the two periods.

Present indications point to a larger market movement of grass cattle during the remainder of the year than during the corresponding period in 1931. Because of favorable range and feed conditions, grass cattle marketed this fall are expected to be in better flesh than those marketed last fall, and the time of their movement is likely to be somewhat later than usual. Although marketings of grain fed cattle may continue relatively small during the next month, supplies during the late fall and early winter are expected to be larger than those of a year earlier.

BUTTER

Production of creamery butter in July was less than the small production of a year earlier, and the smallest for July in nine years. Poor pasture conditions and the low prices for dairy products have tended to curtail production. In the important butter producing sections, however, the 1932 corn and hay crops are decidedly larger than a year ago. With more cows on farms and prices of butterfat relatively high as compared with corn and oats, it is probable that butter production during the coming months will be relatively heavy.

Creamery butter production in July of 158,600,000 pounds was 1.3 per cent less than in July 1931, and was the smallest for July since 1923. July production was about 15 per cent less than June, in contrast with the usual seasonal decline of about 8 per cent. The index number of creamery butter production (adjusted for seasonal variation 1925-1929 = 100) declined from 103 in June to 95 in July.

Milk production per cow on September 1 (as reported by crop correspondents) of 12.6 pounds, was about 4 per cent less than on September 1 in 1930 and 1931, and 7 per cent less than the 5-year average (1925-1929) for that date. The decrease in milk production per cow from August 1 to September 1 was only 0.9 pounds compared with the average (1925-1929) decline between the same two dates of 1.5 pounds. The percentage of cows being milked on September 1 was about average for that date. The South Atlantic section was the only one in which the percentage of cows milked was unusually low.

The condition of dairy pastures on September 1, at 64.8 per cent of normal, was slightly higher than a year earlier, but 17 per cent below average. This is the third consecutive year of poor pastures.

Total supplies of hay and feed grains for the coming year are considerably larger than a year ago. According to the September 1 crop report, the 1932 crop of feed grains (corn, oats, barley and grain sorghums) on a tonnage basis will be about 14 per cent larger than a year ago and the largest since 1928. The tame hay crop is forecast as being 7 per cent larger than in 1931, and 8 per cent larger than in 1930.

The price of 92 score butter at New York in August averaged 20.3 cents, about 2 cents higher than in July and the highest since March 1932, but 7.8 cents less than in August 1931. The farm price of butterfat on August 15 of 17.5 cents was 3.1 cents higher than on July 15. While the price of butterfat was 6.4 cents less than a year earlier, it was higher in relation to oats and corn.

Cold storage holdings of creamery butter on September 1 of 107,400,000 pounds were about 2,800,000 pounds more than a year earlier. With the exception of 1931, the holdings on September 1 were the smallest for that date since 1932, and well below the 5-year September 1 average of 143,300,000 pounds.

On September 8, the price of 92 score butter at New York was 5.3 cents higher than the Copenhagen official quotation of 15.7 cents (gold basis). From August 4 to September 8 the price of Danish butter in London advanced about 2 cents and New Zealand butter in London, about 1 cent per pound.

CHEESE

Cheese prices in Wisconsin in August were about 2 cents per pound or 23 per cent higher than in June. This was decidedly more than the usual seasonal advance. Cheese production continues relatively light. Cold storage holdings on September 1 were the smallest for that date in nine years. The demand for cheese has been greatly curtailed, so that even though current supplies have been low, cheese prices in Wisconsin have continued at about 20 per cent less than a year earlier.

Production of cheese in July of 46,800,000 pounds was 12.2 per cent less than in July 1931, and the smallest for July since 1922. July production was about 20 per cent less than June, compared with the usual seasonal decline of about 10 per cent. American cheese production in Wisconsin in July was 17 per cent less than a year earlier, and in the North Atlantic States about 30 per cent less than a year earlier. In the other groups of States, July production was somewhat larger than in the same month of the preceding year.

The ruling price of cheese (twins) on the Wisconsin Cheese Exchange rose from 9.25 cents on July 22, to 11.0 cents on August 12. At 11.0 cents the ruling price was the highest since early in January. The average price in August of 10.6 cents was 1.7 cents higher than in July, but 2.4 cents less than in August 1931.

Cold storage holdings of American cheese on September 1 of 66,700,000 pounds were about 7,000,000 pounds less than a year earlier and the lowest for September 1 since 1923. September 1 is usually the peak of cold storage holdings; this year holdings are about 20 per cent less than the 5-year average.

Trade output of cheese in July of 40,600,000 pounds was 10.6 per cent less than in July 1931. Retail prices of cheese in July were about 16 per cent less than in the same month of the preceding year. These changes indicate that consumer expenditures for cheese in July were about 25 per cent less than a year earlier. This is about the same percentage decline from the preceding year as occurred in May and June.

Imports of cheese in July of 3,300,000 pounds were approximately the same as the low imports of a year previous. Imports for the first seven months of 1932 were 14 per cent less than in the same period of 1931, and compare with the decline in domestic production of 12 per cent.

EGGS

Egg prices continued their seasonal advance through August and into early September at about the usual rate. The present abnormally low storage stocks will be an important factor in assuring the normal seasonal rise in egg prices during the fall and early winter even with the generally low purchasing power of consumers.

The price of special packed mid-western eggs at New York averaged 23.0 cents in August, an advance of 4.7 cents from the July average. The average price of rehandled receipts rose 2.2 cents to 17.3 cents in August. The farm price of 14.7 cents on August 15 was 2.7 cents higher than a month earlier, but 2.6 cents below a year earlier. By September 7 the price of special packed mid-western eggs was $23\frac{1}{2}$ cents.

An important factor in the price advance was the relatively light supply of fresh eggs. Receipts at the four markets were 971,000 cases in August compared to 994,000 cases a year ago and a 5-year average of 983,000 cases. While the decline in production is general in all the producing areas it is much greater on the Pacific Coast than elsewhere. Thus receipts at packing plants in California, Oregon and Washington for the week ended August 27, were 15 per cent below those for the corresponding week last year; the corresponding decline in the Central West was 3 per cent.

Cold storage holdings of case eggs are the lowest since 1916; being 5,955,000 cases on September 1 compared to 9,016,000 cases a year earlier and a 5-year average of 9,506,000 cases. For the next four or five months this will be a major source of the supply of eggs.

Consumption was below that of last year; the apparent trade output in the 4 markets in August being 5 per cent below that of the year before. Output for the first eight months of 1932 averaged 7.4 per cent below that for the same period of 1931.

CHICKENS

The farm price of chickens on August 15 at 11.7 cents per pound was the same as on July 15, but 4.5 less than on August 15, 1931. The seasonal decline common at this time of the year appears to have been somewhat offset by the very light receipts and low storage holdings. Receipts of dressed poultry at the 4 markets during August were 21,600,000 pounds compared to 27,200,000 pounds a year ago and a 5-year average of 23,400,000 pounds. It is estimated that on September 1 there were about 1.4 per cent fewer hens and pullets of laying age in farm flocks than at the same time in 1931. With an estimated increase of about $7\frac{1}{2}$ per cent in the numbers of chickens being raised this year compared to last, however, a larger poultry crop is anticipated for market this fall and winter than was available a year ago. At present, chicken prices are relatively high, compared to prices of other agricultural commodities, thus providing a strong incentive for heavy marketing.

Cold storage holdings of frozen poultry on September 1 were 30,236,000 pounds compared with 43,100,000 pounds a year ago and a 5-year average of 43,000,000 pounds.

Consumption of dressed poultry during August, as indicated by the apparent trade output in the 4 markets, was 1.4 per cent below that of August 1931. However, for the first eight months of 1932 consumption was 5.7 per cent less than for the same period of 1931.

LAMBS

Prices of slaughter lambs declined somewhat during August and the first week in September. The top price of range lambs at Chicago during the first week in August was $6.50 per 100 pounds, but during the week ended September 10 the top for such lambs was only $6.00. The decline in prices during the month was due to increased slaughter supplies and to some extent to a falling-off in quality of lambs marketed, both of which are the usual tendencies for this time of year. The average price of good and choice lambs at Chicago was $5.96 in August compared with $6.27 in July and $7.58 in August last year. Native lambs sold at a substantial premium over range lambs during the month, because of the higher quality and the declining proportion of these lambs in the market supplies. Prices of feeder lambs strengthened during August, but the present level of prices is from 50 to 75 cents per 100 pounds below that of August last year. The spread between the prices of feeder lambs and those of slaughter lambs during the last month was much smaller than a year earlier. Prices of slaughter ewes advanced slightly during the month, but were below prices of August a year ago.

Slaughter supplies of sheep, and lambs were seasonally larger in August than in July. Inspected slaughter of sheep and lambs amounting to 1,579,000 head was only about 1 per cent smaller than in August 1931, but receipts at 7 markets were nearly 10 per cent smaller.

The movement of feeder lambs is usually largest during September, October and November. Shipments of such lambs from the principal markets during July and August were considerably smaller than in those months last year. The smaller western lamb crop, the probable later movement of western lambs, and the larger proportion of lambs in the market supplies in slaughter condition have been the chief factors responsible for the reduction in the feeder movement in the last two months. Although no definite information relating to the extent of the direct movement of feeder lambs is as yet available, reports from the Intermountain States indicate that a relatively large number of lambs have been sold on contract for later delivery.

WOOL

The increased trade in the Boston wool market noted last month, continued through August and the early part of September. As a result of the heavy buying domestic wool prices at Boston the beginning of September averaged about 30 per cent above the low point of the first week in August. For the week ended September 3 fine (64s, 70s, 80s) strictly combing territory wools, scoured basis, were 45-47 cents a pound at Boston compared with 35-37 cents one month earlier. Territory 56s were 38-42 cents a pound the first week of September compared with 29-31 cents at the beginning of August. Prices of Ohio and similar wools on a grease basis ranged from 15 to 19 cents a pound. The average farm price of wool on August 15 was 7.4 cents per pound compared with 7.0 cents on July 15 and 13.1 cents in August 1931.

At the first sales of the new Australian season which opened at Sydney on August 29 prices of merino wools were 15 to 20 per cent higher than those received at the close of the June series at that center. Competition was very keen throughout the sales and prices had advanced 10 to 15 per cent further by the close of the series on August 8. The Bradford market reports a rise in quotations on fine tops as a result of the strength at Sydney and large sales were made the first week in September. Spinners and goods manufacturers, however, complain that there has not been much response on their lines. The improvement has not been accompanied so far by any material increase in wool consumption abroad.

Consumption of combing and clothing wool by United States manufacturers reporting to the Bureau of the Census in July was 57 per cent greater than the June consumption and was 82 per cent above the low level of May. Consumption by reporting mills was 23,900,000 pounds (grease equivalent) in July compared with 15,200,000 in June. In July 1931 reported consumption was 44,000,000 pounds, the highest monthly total in eight years. Consumption fell rapidly from July 1931 to the extremely low level of May 1932 and this decline undoubtedly prepared the way for an improvement in activity based on replacement needs.

Arrivals of domestic wool at Boston during the present season have been much slower than last season. While this may be due in part to the smaller clip, the tendency last year was toward early marketing and shipping and 73 per cent of the year's receipts were received at Boston by the end of July, compared with an average of 68 per cent in this period during the years 1926-1930. During the present season considerable wool has probably been held in country districts for higher prices. In August receipts at Boston for the first time this season surpassed those of the corresponding month of 1931. Arrivals for the month were 44,200,000 pounds compared with 34,400,000 received in August 1931. Total receipts from January 1 to September 3 this year were 153,200,000 pounds compared with 221,500,000 in 1931. Imports of foreign combing and clothing wool from January - July 1932 were 13,600,000 pounds compared with 29,300,000 in that period last year.

Preliminary estimates of wool production for four important Southern Hemisphere countries: Australia, New Zealand, Uruguay and the Union of South Africa place the total at 1,651,000,000 pounds or approximately the same as last year. Including the United States and the United Kingdom, with Irish Free State, production in six countries for 1932 is provisionally estimated at 2,201,000,000 pounds, a decrease of 1 per cent from last year. While the preliminary estimate indicates an increase in the 1932 clip of Australia, decreased clips appear probable for other important Southern Hemisphere countries for which estimates of wool production or sheep numbers are available. No estimate is as yet available for Argentina. The clip of the United States shows a decrease while an increase is indicated for the United Kingdom.

The carry-over at selling centers in Australia, New Zealand, and the Union of South Africa at the end of the season on June 30, 1932 amounted to approximately 154,000,000 pounds, an increase of about 50 per cent above the quantity on hand at the same time last year. Over half the above quantity or 84,000,000 pounds was reported to be in New Zealand and consists of crossbred wool.

COTTON

A number of factors contributed to the rise of over 4 cents per pound in cotton between early June and late August. The improvement in the financial situation and in business and speculative sentiment was coupled with the knowledge that stocks of cotton goods were low. Moreover it was generally recognized that the crop would be less than in 1931, and in the early fall months more attention is given to the size of the crop than to the carry-over. The official forecast in August placed the cotton crop 5,800,000 bales below that of 1931. This was about 1,000,000 bales below the trade estimates and the market immediately began to adjust itself to the new basis. Then, in the wave of speculative enthusiasm, the trade concluded that weather conditions pointed to a further decrease in the crop. Prices reached 8.84 cents for middling 7/8 inch cotton at the 10 spot markets on August 27. Thereafter prices became very erratic,

declining nearly 1 cent per pound by September 1 and recovering most of the loss by September 7. When the September report showed there had been no significant change in the size of crop, prices fell again and on September 13 averaged 7.16 cents per pound. For the month of August the price averaged 7.08 cents compared with 6.57 a year ago.

The September cotton crop forecast of 11,310,000 bales is only 4,000 bales above that of August. The supply situation for American cotton therefore, remains unchanged from a month ago. Latest information points to about normal cotton crops in India and China in comparison with the very short crops last year. As a result American cotton will meet considerably more competition from these growths particularly in Oriental markets. Present stocks of American cotton in Japan and China are large although stocks of Indian cotton are low. The acreage of Egyptian cotton has been reduced materially and is now at a very low level. Despite low yields in both of the past two years it seems likely that the reduced acreage will result in some further decrease in the Egyptian crop this year. This should help to relieve the burdensomeness of the large stocks of Egyptian cotton.

Exports of cotton from the United States amounted to 452,000 bales in August compared with 211,000 bales a year ago and 366,000 bales two years ago. Exports for August this year constituted a record for the month. The increase came in exports to Europe generally. Those to the Orient were a little less than in August last year. Low stocks of cotton in Europe and the desire to replenish them while prices were rising appear to be the principal factors explaining the large exports. Although business sentiment in some European countries appears to have improved, little change has taken place in the actual level of business activity on the Continent, while in Great Britain the cotton textile situation is dominated by the strike of about 200,000 weavers and threats of a strike by spinning operatives.

Cotton consumption in the United States rose to 403,000 bales in August, 44 per cent above that of July and the highest since last March. Consumption in August, however, was still 5 per cent below that of August 1931. The outstanding feature of the domestic cotton textile situation was the large sales of cloth. Sales averaged 127,600,000 yards per week, the largest for any month on record. They amounted to 229 per cent of the July level and were equal to 282 per cent of production, according to reports of the Association of Cotton Textile Merchants. Production for the month showed a moderate increase but unfilled orders showed the greatest increase for any month since October 1927 when these reports first became available and stocks showed the greatest decrease for any month since that time. Sales reported by the Association apparently reflect purchases by the wholesale and retail cloth trade more than purchases for industrial uses.

Business statistics relating to domestic demand

Year and month	Industrial production	Factory payrolls	Factory employment	Commodity prices: United States: At farms 2/	Commodity prices: United States: Wholesale 3/: 1910-1914 = 100	Commodity prices: United States: Wholesale 3/	Commodity prices: Foreign 4/: In currency	Commodity prices: Foreign 4/: In gold	Interest rates 5/	Industrial stock prices 6/
	1923-1925 = 100 1/					1926 = 100				
1929										
June	125	110	102	135	139	95	94	96	6.00	315
July	124	109	102	140	141	96	94	96	6.00	344
Oct.	118	106	100	140	139	95	94	96	6.19	321
1930										
Jan.	106	97	94	134	135	92	90	92	4.94	252
Feb.	107	95	93	131	133	91	88	90	4.68	268
Mar.	104	94	92	126	132	90	86	88	4.31	277
Apr.	104	95	92	127	131	90	86	88	3.88	286
May	102	93	91	124	130	89	84	86	3.73	269
June	98	91	89	123	127	87	84	85	3.54	239
July	93	85	86	111	123	84	83	84	3.16	232
Aug.	90	82	85	108	123	84	83	84	3.00	231
Sept.	90	83	84	111	123	84	81	83	3.00	232
Oct.	88	78	83	106	121	83	80	81	2.92	196
Nov.	86	74	81	103	119	81	79	80	2.88	182
Dec.	84	73	79	97	116	80	78	78	2.88	170
1931										
Jan.	83	70	78	94	114	78	76	77	2.85	168
Feb.	86	72	77	90	112	77	76	76	2.63	181
Mar.	87	72	78	91	111	76	76	76	2.52	182
Apr.	88	72	78	91	109	75	76	76	2.38	162
May	87	71	78	86	107	73	74	74	2.20	143
June	83	68	76	80	105	72	74	74	2.00	138
July	82	67	75	79	105	72	74	73	2.00	143
Aug.	78	64	74	75	105	72	72	72	2.00	139
Sept.	76	62	73	72	104	71	71	68	2.02	119
Oct.	73	58	70	68	103	70	72	66	3.50	102
Nov.	73	56	68	71	102	70	72	65	4.03	104
Dec.	74	55	68	66	100	69	72	61	3.88	81
1932										
Jan.	71	54	67	63	98	67	71	60	3.88	79
Feb.	70	52	67	60	97	66	71	60	3.84	80
Mar.	67	50	66	61	96	66	71	61	3.83	82
Apr.	64	48	64	59	96	66	69	60	3.73	63
May	60	46	62	56	94	64	68	59	3.27	53
June	59	43	60	52	93	64	67	57	2.94	47
July	59	41	58	57	94	64	67	56	2.54	46
Aug.				59					2.32	68

1/ Federal Reserve Board indexes, adjusted for seasonal. 2/U.S.D.A., August 1909-July 1914 = 100. 3/ Bureau of Labor Statistics' index. 4/Weighted average of indexes for 8 foreign countries - United Kingdom, Canada, Japan, France, Italy, Germany, China and the Netherlands. 5/ The Annalist. Average of daily rates on commercial paper in New York City. 6/Dow-Jones index is based on daily average closing prices of thirty stocks.

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UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics
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THE PRICE SITUATION, OCTOBER 1932

FARM PRICES

The general level of farm prices in mid-October was somewhat lower than a month earlier. Market prices of cotton, grains, and most livestock declined during the month ended October 15.

The index of farm prices in mid-September at 59 per cent of the 1910-1914 average, was the same as on August 15 and 14 per cent above the low point in mid-June, but some of this rise had been lost by mid-October. The index for September last year stood at 72 per cent of the pre-war average.

Prices paid by farmers for goods purchased had continued to decline while the average of prices paid to farmers was steady from August to September. Consequently the exchange value of farm products for other products again increased slightly to 56 per cent of the pre-war average in mid-September; an increase of 16 per cent from the low point in mid-June.

The general level of farm wages on October 1 was 84 per cent of the 1910-1914 average compared to 87 per cent on July 1 and 113 per cent on October 1 last year. Average farm wages for the United States on October 1 at $17.29 per month or $.87 per day (with board) and $26.36 per month or $1.19 per day (without board) were at the lowest level in 30 years. The general decline in farm wages the last 3 years has obliterated the normal seasonal rise from July 1 to October 1. The low farm wages at present reflect the increased supply of farm laborers coupled with low prices of farm products and a decreased demand for hired farm labor.

WHOLESALE PRICES

Since the rise in the general level of prices of farm products from the low level of mid-June the prices of other groups have also advanced, but some declined in the first half of October. The weekly Bureau of Labor Statistics index of all commodities advanced from 93 per cent of the 1910-1914 average at the low point in June, to nearly 96 by September 10, but declined to below 95 by the week ended October 8, as prices of farm products lost part of their previous advances.

The index of market prices of farm products in relation to the pre-war average, advanced from 64 the middle of June to 71 the first week of September, a rise of 11 per cent. The index for the week ended October 8 averaged 94.7. During the same (June to September) period the index of food prices rose from 91 to 97 and on October 8 were slightly lower at 95.4.

The groups that advanced next were hides and leather, textiles, and metals. Hides and leather reached a low point the week ended July 23 and have since advanced from 106 to 114 for the week ended October 1. Textile prices during the same interval advanced from 93 to 100. Metal prices as a

group advanced only slightly during this period. Building material prices reached their low point later than the others, and advanced from 126 on August 13 to 128 on October 1. Most of the group indexes showed evidences of weakness during the first part of October.

Prices abroad have also weakened lately. Crumps weekly index of currency prices for England after advancing from 58.8 in June to 64.6 the first week of September, averaged 63.7 or 2 per cent less in the first week of October.

BUSINESS CONDITIONS

Some of the factors in the domestic demand for farm products during September showed some improvement over July and August. Industrial activity averaged higher in September than at the low levels of the previous 2 months and there was some increase in factory employment and payrolls, but not sufficient to offset other developments which lowered the level of prices received by producers after the first week of September.

Industrial activity reached a low point in July, averaging 58 per cent of the 1923-1925 level, according to the Federal Reserve Board. In August the index advanced 2 points due to a very sharp increase in production by factories using largely agricultural raw materials for consumer goods, particularly textiles, food products, boots and shoes and tobacco, while the total activity of other industries declined still further. The improvement evident in August continued during September as textile and food industries continued to expand. The production of iron and steel also increased. Automobile production continued to decline during September. The net gains in industrial production have been reflected in increased freight car loadings and to a smaller extent in electric power production. The decline in factory employment and payrolls was checked in August and (judging from data from New York State) an increase in both took place during September. Building activity, which reached a low point last February and March, has since shown a perceptible upward tendency somewhat more pronounced during August and September due mainly to expansion in public works.

Financial conditions also showed further improvement during September, as gold moved into the country, some currency was released from hoarding, and bank reserves accumulated. Bank and commercial failures were less in September than in the preceding month. The Federal Reserve banks have ceased purchasing additional Government securities. Member banks continued to report declining loans and discounts and an expansion in their holdings of investments, particularly Government securities. The decline in loans for business purposes it is to be noted continued in spite of the increase in industrial activity. To some extent the credit furnished by the Reconstruction Finance Corporation has offset the reduced bank loans. An expansion in industrial output is of course possible for a time even though loans for commercial purposes do not expand or even if they continue to decline as was the case during the last half of 1921 and first half of 1922 when industrial output expanded in the face of continued shrinkage in bank loans.

After rising for about 2 months during which time industrial stock prices doubled their low values of last July, a decline set in during September which continued through the first 10 days of October and reduced the previous gains by about half.

WHEAT

Wheat prices in the United States during early October were lower than a month earlier, but averaged about the same as a year ago. Prices declined sharply from September 6 to the 14th, then recovered a part of the loss only to decline again during the first 10 days of October. On October 10 prices of cash wheat in the principal United States markets averaged about 6 cents a bushel lower than a month earlier, while futures prices at Chicago were about $9\frac{1}{2}$ cents lower. Prices of futures at Chicago have continued to be much more erratic in their day-to-day movements than have prices at Liverpool. At Liverpool there was a fairly steady downward trend from September 6 to October 10, and the decline from October 4 to October 10 was not nearly so great as at Chicago.

The average farm price as of mid-September was somewhat lower than that of August, being 37.4 cents compared with 38.5 cents a month earlier, and 35.7 cents in September, 1931. The decline of market prices has brought hard winter wheat prices on October 10 to levels about as low as those of mid-July, while soft winter wheat prices are somewhat higher than early in the season. Spring wheat prices, on the other hand, were lower on October 10 than they had been at any previous time during the current crop year. Winter wheat prices are above those of a year ago, while spring wheat prices are considerably lower.

The October crop report showed but little change in the estimate of spring wheat production, the durum wheat estimate for 4 States having been decreased by only 2,000,000 bushels and other spring wheat 1,000,000 bushels. Since there was no change in the estimate of winter wheat production, total wheat production in the United States is now estimated to be 712,000,000 bushels for the current year compared with last month's estimate of 715,000,000 bushels and 894,000,000 bushels produced in 1931.

Present production estimates of 38 Northern Hemisphere countries total 3,208,000,000 bushels, which is approximately 45,000,000 bushels larger than the estimates for these same countries last year. Though reliable estimates for the Southern Hemisphere production are not yet available, present indications are for a crop about the same or a little larger than that of 1931-32. Early indications suggest an increase in the Australian crop, and a somewhat smaller crop in Argentina. The increase of production indicated for the world, outside Russia and China, will apparently little more than offset the decrease in world carry-over (including rough estimates of European stocks) as of July 1. It is likely, however, that the total decrease in shipments from Russia during 1932-33 will somewhat more than offset the increase in supplies now available in the rest of the world. Total supplies of wheat available to the world, outside Russia and China, now appear likely to be but little smaller than in 1931-32.

Though total supplies available to the world outside Russia and China, may not be greatly different than those of last year, the different distribution of the crop will profoundly effect international trade in wheat. Though crops of the exporting countries of Europe are much smaller than in 1931, total European production is roughly 75,000,000 bushels larger. The large supplies in the importing countries may be expected, in view of the continued drastic restrictions on importation and milling of foreign wheat, to result in smaller imports. Since only small surplus supplies of

milling wheat appear to be available in the Danube Basin, exports from there are expected to be much smaller than last year. Supplies in North America, South America and Australia continue to be ample and prospects are that exports from these regions may not be greatly different in 1932-33 than they were in 1931-32.

Thus far this season, world shipments of wheat and flour from the principal exporting countries have been much smaller than during the corresponding period last year. Total shipments from the first of July through the first week of October have amounted to approximately 137,000,000 bushels this year compared with 202,000,000 bushels during the corresponding period of last year. Most of the decrease has been in shipments from Russia and countries of the lower Danube Basin. Argentine and Australian shipments have also been running somewhat below the levels of last year, while North American shipments have been about the same as last year. Present prospects are that Southern Hemisphere shipments will continue small until the new crop in Australia begins coming to market in December, and that Russian and Danubian shipments will continue much smaller than a year ago.

Although total North American shipments have been about the same as last year, exports from the United States since the first of July have been much smaller. Total exports of wheat as grain from July 1 to October 8 of this year have amounted to about 9,500,000 bushels compared with 33,700,000 bushels during the corresponding period last year. Exports of flour from the United States have also been smaller than last year, amounting to about 1,000,000 barrels this year compared with 2,500,000 last year. These flour exports are the equivalent of about 4,700,000 and 10,200,000 bushels respectively.

During early September the spread between Chicago and Liverpool futures ranged between 5¾ and 9¼ cents per bushel, based on the difference between the closing quotations of September futures at Chicago and October futures at Liverpool. The spread between the December futures at the two markets, however, was much smaller, ranging from 7/8 cents to 5½ cents per bushel during the same period. On October 4, when December futures at Chicago were at their highest level for the first 10 days of that month, they closed only 2¾ cents per bushel lower than Liverpool, whereas on October 10 they were 6-5/8 cents per bushel below Liverpool. This spread is about sufficient to allow a fairly free movement of wheat for export.

CORN

Corn prices averaged lower in September than in August. The average price for each week of the month was lower than that for the preceding week and prices were again lower in the first week of October. No. 3 Yellow at Chicago averaged 27.1 cents per bushel for the week ended October 7 compared with 32.2 during the week ended September 9. The United States average farm price as of September 15 was 28.0 cents per bushel compared with 30.2 cents a month earlier and 43.2 cents per bushel in September, 1931.

The approach of the new marketing season finds commercial stocks of corn at the highest level since 1927. Stocks on October 8 amounted to 21,200,000 bushels compared with 6,400,000 bushels on the corresponding date of last year and an average of 8,600,000 for the past 5 years. On October 8, 1927, commercial stocks amounted to 22,600,000 bushels. Corn stocks have been increasing slowly since early August, having risen from 10,832,000 bushels on August 6. This increase is contrary to the usual tendency of declining stocks from early August to October.

September receipts of corn at 14 markets amounted to 19,700,000 bushels compared with 8,200,000 last year and an average of 16,800,000 for September of the past 5 years. September was the first month of the season now drawing to a close, during which receipts exceeded the average for the corresponding month of the preceding 5 years, and August was the only other month of the past 11 for which this year's receipts were not lower than receipts for the corresponding month of any one of the past 5 years. Total receipts from November to September inclusive amounted to 122,000,000 bushels for the current season compared with 181,000,000 last season and an average of 243,000,000 bushels for the past 5 years.

The official crop report as of October 1 indicates a somewhat larger production of most feed grains than was indicated in September. Indicated corn production was raised to 2,885,000,000 bushels, an increase of 51,000,000 bushels, while the indicated production of oats was raised 20,000,000 bushels, barley 10,000,000, and that of grain sorghums decreased 2,000,000 bushels. The combined production of the 4 feed grains, corn, oats, barley and grain sorghums is indicated to be about 111,700,000 tons compared with 87,300,000 last year, 87,200,000 in 1930 and an average of 98,300,000 tons for the past 5 years (1927-1931).

The price declines of the past month may be explained in part by the beginning of the new crop movement, but appear to have been due more largely to factors responsible for the general weakness of the speculative markets. Stock market and wheat price declines have accompanied the declines in corn prices.

APPLES

The production forecast of the total apple crop as of October 1 is placed at 134,000,000 bushels compared with a crop of 202,000,000 bushels in 1931 and the 1924-1928 average of 180,000,000 bushels. Of the total United States crop this year, 28,000,000 barrels are expected to enter commercial channels compared with 35,000,000 barrels in 1931 and the 5-year average of 32,000,000 barrels. Apple production this season is about the same as a year ago in the North Atlantic and Western States, but far below in the balance of the country. The crop is unusually short in the MiddleWest and in the South Atlantic States.

Storms about the middle of September caused a loss in the Nova Scotian apple crop of about 800,000 bushels. The loss would have been greater had not the Canadian Government allowed the fallen fruit to be picked up and marketed. The total Canadian crop is now estimated at 9,500,000 bushels compared with 10,261,000 bushels indicated a month ago, and 11,379,000 bushels harvested in 1931.

Car-lot shipments of apples for the country as a whole totalled a little less than 14,000 cars this season to October 1, or about one-third less than the movement a year ago. The Western States shipped about 32 per cent less than a year ago and the Eastern States about 41 per cent less. The decreased car-lot movement of apples may be attributed not only to the small production this year, but also to a slackened consumer demand and an increase in the movement by trucks.

The farm price of apples declined seasonally from mid-August to mid-September or from 65 cents to 57 cents per bushel which was 14 cents a bushel less than a year earlier. The September 15 average is near the record

low of 56 cents reached in October 1914. At New York l.c.l. prices to jobbers of New York McIntosh apples advanced from 25 to 50 cents per bushel during the first 2 weeks of September but declined 15 to 25 cents during the latter half of the month. Prices of Wealthies followed much the same trend although there was a tendency to strengthen in the higher grades towards the end of September. As supplies of western box apples increased in eastern markets, prices declined between 40 to 50 cents per box. Washington fancy Jonathans declined from $1.80 per box during the third week in September to $1.40 per box during the first week of October.

POTATOES

With but little change in the prospective supply of late potatoes during the past month, market prices moved in a narrow range. New York and Chicago prices weakened slightly during the latter part of September but strengthened somewhat during the first week of October. Car-lot shipments of potatoes so far this season have been considerably less than the reduced shipments during the same period a year ago, partly as a result of increased truck shipments and increased production in deficit areas.

The United States average farm prices of potatoes on September 15 at 38 cents per bushel was 13 cents less than on August 15 and 22 cents less than on September 15, 1931. Mid-September prices were the lowest for any month since May 1910 when the average was 37.9 cents per bushel. From August 15 to September 15 potato prices declined in all regions except in the South Central States where a slight advance was recorded. There was a marked decline in the North Atlantic States, from 61.4 cents to 36.1 cents per bushel, and lesser declines in the other areas, ranging from 6 to 10 cents per bushel. The level of potato prices this fall is lower than what normally would be expected with the present supply and the general commodity price level; this situation may be attributed to the unusual decline in consumer incomes and to the greatly increased supply of home grown potatoes this year.

At New York, prices of potatoes advanced from the low in late August of 81 cents per cwt. to 93 cents during the second week in September, but declined to 84 cents in the first week of October. Main Green Mountains opened at New York the third week of September at an average of 88 cents per 100 pounds; the next week the average declined to 81 cents and was followed by a recovery of 2 cents per 100 pounds during the first week of October. Potato prices followed a similar trend at Chicago, where they advanced about 11 cents per 100 pounds from the end of August to the middle of September only to lose most of the advance in late September and then recover a few cents during the first week of October.

Car-lot shipments of potatoes to October 1 this season were far short of those of a year earlier. During the week ended October 1 they amounted to only 3,084 cars compared with 6,348 cars during the week ended October 3, 1931. Shipments during September amounted to only 12,738 cars, the lightest for the month since the Department began collecting shipment records in 1917. The small car-lot movement this year is due to a slackening consumer demand, increased trucking and a greatly increased supply of home grown potatoes. The early States moved 46 per cent fewer cars this year than in 1931 and to date the Intermediate States have moved 23 per cent less.

The October forecast of total potato production was the same as a month earlier. Indications are that the crop in the 30 late States will be about

5,000,000 bushels less than in 1931. In the 3 major Eastern States the October forecast is 22,000,000 bushels below the 1931 harvest; in the 5 Central States it is 10,000,000 bushels above; and in the 10 Western States it is the same as in 1931. These 18 surplus producing States have about 12,000,000 bushels less potatoes to market this year than last year. On the other hand the 12 other late States have about 7,000,000 bushels more than last year. The total crop this year including the southern early crops is estimated at 357,000,000 bushels compared with 376,000,000 bushels in 1931 and the 1924-1928 average of 361,000,000 bushels. The production of sweet potatoes this year is forecast at 75,000,000 bushels compared with 63,000,000 bushels in 1931 and the 1924-1928 average of 58,000,000 bushels.

RICE

Rice prices continued unchanged during September. The August advance was maintained and sales were below those of September, 1931. At New Orleans fancy blue rose sold at $2.25 per 100 pounds on October 3, the same as that of a month earlier. Fancy California-Japan at San Francisco remained unchanged during the month at $2.20. Blue rose rough at southern mills averaged $1.90 per barrel during September and early prolific averaged $1.55 compared with $2.49 and $1.57 respectively for September, 1931. California rough averaged 95 cents to $1.00 per 100 pounds at Sacramento Valley growing points during September compared to $1.68 a year earlier.

Small receipts of rough and small visible supplies at southern mills during the first 2 months of the current season have aided in strengthening the prices of rough rice. The movement of rough rice to market this year has been slower than for the corresponding period last year. Receipts of rough rice at southern mills totalled about 862,000 barrels during September compared with 1,442,000 barrels a year earlier. Stocks of rough and milled rice in millers' hands on October 1 were reported to be the equivalent of 1,212,000 barrels compared with 1,291,000 barrels a year earlier.

Domestic sales of southern rice during September were somewhat smaller than those of a year earlier and sales to Puerto Rico and to foreign countries were about 6,000,000 pounds less than those of September 1931.

Shipments of milled rice into consuming channels during September were reported to be about 71,000,000 pounds compared with 85,000,000 for September 1931. Exports from southern ports during September totaled about 3,200,000 pounds compared with 5,360,000 pounds for September 1931. Shipments to Puerto Rico were 7,945,000 pounds and 12,076,000 pounds respectively.

California

The peak of the California rough rice marketing will probably be later this year than last but the heavy carry-over has held California rough rice prices low. Exports of California rice during September totaled over 1,000,000 pounds compared with 221,000 pounds for September 1931. About 4,650,000 pounds of California rice were shipped to Puerto Rico during September, whereas, a year earlier only 3,972,000 were shipped. Hawaii bought less California rice during September than during September 1931 the amounts being 6,695,000 pounds for this September and 7,917,000 for last.

The spread between Tokyo and San Francisco prices continues unfavorable for exports of California head rice to Japan. The first forecast of the 1932 Japanese rice crop was 19,339,190,000 pounds, which is about equal to the average of the last 5 years, but 11.5 per cent smaller than the 1931 crop. With the relatively low level of consumption in Japan it is probable that imports from foreign countries may be smaller this year.

TOBACCO

Prices of flue-cured tobacco (Types 11-14) sold at auction floor markets during September followed the usual seasonal trend and advanced over those which were paid in August. Total marketings up to October 1 this year of about 125,000,000 pounds averaged approximately 11.75 cents per pound, compared with 9.0 cents for the 227,800,000 pounds marketed in the same period of 1931. Sales are now under way, or have been completed, in all of the four flue-cured districts and prices in each of them have averaged higher than for the corresponding period of 1931. This has been due mainly to improvement in prices for the lower grades of tobacco, but many of the better grades also have advanced, to some extent. However, in spite of the increase in prices per pound the total income from the flue-cured crop promises to be only about two-thirds as great as in 1931

The October 1 estimate of flue-cured production for 1932, which was placed at 350,432,000 pounds, showed practically no change from that of September 1. This represents a 47 per cent decrease from the production of 1931 and a 52 per cent decrease from the 5-year average 1926-1930. This decreased production in 1932 resulted both from a smaller acreage and lower yields per acre. The acreage was first reduced about 27 per cent from that of a year earlier on account of the low prices received in 1931. Later, a shortage of plants resulting from freezes and damage by diseases and insects brought about an additional reduction of some 10 per cent. Yields per acre in 1932 are estimated to be only 557 pounds, compared with 681 pounds in 1931 and a 5-year average, 1926-1930, of 713 pounds. This has been due partly to unfavorable weather during parts of the growing season and partly to reduced applications of fertilizer and poor plants.

The stocks of flue-cured tobacco reported by dealers and manufacturers at the beginning of the present market season were 745,200,000 pounds. This is an increase of 10 per cent over the quantity on hand July 1, 1931. However, in spite of this increase in stocks the total supply of 1,095,600,000 available for 1932-33 is 18 per cent less than that of 1931-32 and 13 per cent less than the 5-year average, 1926-27 to 1930-31.

The consumption of products made from flue-cured tobacco apparently has continued to decline in most countries. In the United States, however, the sales of internal revenue stamps, which are indicative of domestic consumption, for August 1932 made the most favorable showing as compared with a year earlier that has been reported in many months. Combined sales of tax stamps for use on cigarettes and manufactured tobacco (smoking and chewing) declined less than in any previous month for more than a year. Cigarettes actually showed a small increase of 0.5 per cent when compared with August 1931 and manufactured tobacco declined only 1 per cent. For the first 8 months of 1932, compared with the same period of 1931, cigarettes declined 11 per cent and manufactured tobacco declined 4 per cent.

Latest reports from the United Kingdom (July, 1932) indicate that consumption of tobacco there recently has been declining at an increased rate. During most of this depression home consumption in the United Kingdom showed remarkable stability, and for 1931 declined only about 1 per cent from the high level of 1930. In continental Europe indications are that the consumption of flue-cured products still is declining but that the rate of decline probably is not as great as in 1931. The quantity of flue-cured tobacco exported during August amounting to 9,500,000 pounds was the smallest for that month in recent years. For the first 8 months of 1932 total exports were only 113,000,000 pounds. This is only about half as large as the quantity exported during the same period of 1931 and 36 per cent less than the 5-year average, 1926-1930, for these months.

Markets for types of tobacco other than flue-cured have not yet opened. Sales in the Virginia fire-cured and sun-cured districts will begin the latter part of October but for other important types the auctions will not start until about December 1. Production in most districts is materially less than that of other recent years and reports so far indicate that quality is from fair to good.

HOGS

Increasing market supplies of hogs without a corresponding increase in demand for pork and lard resulted in a steady decline in hog prices during September and early October. Although prices strengthened temporarily at intervals, the general trend has been downward since the high point of the summer was reached early in July. The average price at Chicago dropped from $4.89 per 100 pounds for the week ended July 9 to $3.71 for the week ended October 8. The average Chicago price in September was $4.00 compared with $4.21 in August and $5.41 in September last year. The premium commanded by light hogs over heavy hogs dropped from 70 cents in early September to 32 cents the first week in October. During the first week in October last year heavy hogs were selling for higher prices than the light weights.

Slaughter supplies of hogs were relatively large in late August and they continued to increase throughout September. Federally inspected slaughter for the month, amounting to 3,252,000 head was the largest September slaughter on record and was 9.5 per cent larger than in August and 10.1 per cent larger than in September last year. This is the third year in succession and the eighth year on record that September slaughter has been larger than August slaughter.

The unusually large slaughter supplies in August and September were due largely to the marketing of hogs that had been held back early in the summer when prices were extremely low. Because of these delayed marketings average live weights of slaughter supplies continued relatively high until the first week in October. In most years, weights fall off rather sharply after late August. The average live weight of hogs at the seven principal markets during September was only slightly lighter than in August but was about 5 per cent heavier than in September last year. During the other 11 months of the 1931-32 hog crop marketing year, average weights of hogs slaughtered were lighter than those of a year earlier.

The 1931-32 hog marketing year ended September 30, with 46,655,000 hogs having been slaughtered under Federal inspection. This was an increase of 3,097,000 head, or 7.1 per cent over the slaughter of the previous year. Because of lighter weights at which hogs were marketed, the increase in totaled dressed weight was only about 4 per cent. Slaughter during the period, May to September, the marketing season for the fall pig crop, amounted to 16,403,000 head and was 9.4 per cent larger than that of the corresponding period in 1931.

Corn prices declined steadily during September and at about the same relative rate as hog prices. The United States hog-corn price ratio, based on farm prices as of September 15 was 13.5 or about the same as in August, but was somewhat higher than in September last year. Between mid-August and mid-September, the ratio rose considerably in the Western Corn Belt and declined appreciably in the Eastern Corn Belt with the result that the relationship between the ratios for these two sections is now more nearly normal. During the 12 months previous to September, the ratio in the Eastern Corn Belt was considerably higher than that in the Western Corn Belt; ordinarily, it is lower.

Wholesale prices of pork, both fresh and cured, were steady during the first half of September, but weakened during the last half of the month and in the first week in October. The weakness was more pronounced in the prices of fresh cuts than with those of cured pork. Prices of hams declined more than prices of bacon. Average lard prices at Chicago advanced from $7.25 to $7.75 per hundred pounds during the third week in September but declined to $7.00 in the first week in October.

Storage stocks of hogs products continue relatively small. Less pork moved out of storage in September this year than last, however, and stocks on October 1 were somewhat larger than those of a year earlier. This is the first time since January 1 that pork stocks at the beginning of the month have been as large as those of the corresponding date in 1931. Stocks of pork on October 1, totalling 497,000,000 pounds were 5 per cent larger than those of a year earlier and 6 per cent smaller than the 5-year average for that date. Stocks of frozen pork and dry salt cuts were 25 and 23 per cent, smaller respectively than the 5-year averages for October 1, but those of pickled pork were 7 per cent larger. Lard stocks totalling 71,000,000 pounds were 2 per cent larger than those of October 1, 1931, but they were 35 per cent smaller than the 5-year average for that date.

Exports of lard during August, totalling 36,000,000 pounds, were about 1 per cent larger than in August last year, but were 28 per cent smaller than the 5-year average for the month. Pork exports were sharply reduced and the total of less than 8,000,000 pounds was 43 per cent smaller than in August last year and 68 per cent smaller than the 5-year August average. Shipments of both pork and lard from the principal United States ports during September were larger than in August.

Although hogs from the 1931 fall pig crop are still being marketed, supplies during the last 2 weeks have included a fairly large proportion of hogs from the pig crop of last spring and the seasonal increase in marketings is now under way. Slaughter supplies during October probably will not be greatly different from those of October last year, but returns from the June Pig Survey indicate that supplies from October to April inclusive will be smaller than those of a year earlier.

CATTLE

The cattle market was fairly strong during most of September, but declined during the last week of the month and the first week in October. The average weekly price of choice beef steers at Chicago for the week ended September 17 at $9.54 was the highest for any week since last January and was $2.39 a hundred above the low week about the middle of May. The following week brought little change in the average price, but during the next 2 weeks a rather sharp decline occurred which brought the average of choice steers to $9.12 and declines of about 50 cents on other grades.

Prices of the better grades of heifers tended to follow the prices of better grade steers, but prices of the lower grade heifers and all grades of cows weakened steadily during the month and early in October these were back to about the lowest levels yet reached. Prices of stocker and feeder steers also followed beef steer prices, strengthening during most of the month but declining somewhat the last week.

The general level of beef steer prices in September this year was only a little lower than in September 1931. The average monthly price of choice steers this year was 20 cents lower, good steers 45 cents lower, medium steers

6 cents higher, and common steers 20 cents higher. The higher prices for the lower grade beef steers this year reflected the rather strong demand for heavy weight feeders this year.

Supplies of cattle in September continued small. Receipts at seven leading markets were 3 per cent smaller than the small receipts in September last year and the smallest for the month in many years. Inspected slaughter, while 4 per cent larger than in September 1931, was 5 per cent smaller than the 5-year average and the second smallest since 1916. Inspected slaughter of calves was 7 per cent smaller than in September last year but about equal to the 5-year average.

Shipments of stocker and feeder cattle into the Corn Belt States in September were relatively small, although probably a little larger than the very small shipments in September 1931. For the 3 months July to September this year shipments were 8 per cent larger than last year and 5 per cent above the 5-year average. With feed grain production in the Corn Belt States much larger than last year and above average, and all kinds of feeds abundant and prices very low, a heavy movement of stocker and feeder cattle in September would normally have been expected. The light movement was due, apparently, to the small supplies of cattle available rather than to lack of demand. Market receipts of cattle for the 3 months, July to September, this year were much below last year and the smallest for many years. The heavier shipments of feeder cattle from July to September were due to the fact that most of the decrease in receipts was in cows and heifers, and steers were little changed and that an unusually large number of heavy feeders were taken out that in most years would have gone into slaughter.

Supplies of both grain-fed and grass-fed beef steers and stockers and feeders, are expected to be fairly liberal during the last 3 months of this year, but there are no indications as yet of any tendency toward heavier marketings of cows. With money for feeding operations now available from the Regional Agricultural Corporations the movement of feeder cattle for the balance of the year may be relatively large, which will tend to support the prices of slaughter steers.

BUTTER

Creamery butter production in May, June and July was 2.6 per cent less than in the same months of 1931, but in August production was 3.8 per cent larger than a year earlier. Cold storage holdings of creamery butter are larger than a year ago, but below average. The movement of butter into consumptive channels in August was less than a year ago, even though retail prices were 22 per cent lower. The farm price of butterfat is low, but it is relatively high in relation to prices of feed grains. With more cows on farms and butterfat prices high in terms of grain, the seasonal decline in butter production will probably be less than usual.

Production of creamery butter in August of 144,500,000 pounds was 3.8 per cent larger than a year earlier. This was the largest increase over the same month of the preceding year since February. For the first 7 months of 1932, production was about the same as in 1931. August production was only 9 per cent less than July compared with the usual seasonal decline of about 13 per cent. In the South Atlantic and Western States, August production was less than a year earlier. In each of the other groups of States, production was larger; the largest increase being 11 per cent in the East North Central States.

Milk production per cow on October 1 of 12.1 pounds, as reported by crop correspondents, was about 1 per cent less than a year ago. With about 4 per cent more milk cows on farms, milk production on October 1 was about 2 to 3 per cent

larger than on October 1, 1931. The decline in milk production per cow from September 1 to October 1 was only one-half as great as the average decline between these two dates. The percentage of cows milked on October 1 was somewhat less than a year ago, but about average for that date.

The price of 92-score butter in New York in September averaged 20.8 cents, compared with 20.3 cents in August, and 32.5 cents in September, 1931. The rise from August to September was small compared to the usual advance in the monthly average price of about 6 per cent from August to September. Prices in the first week of October averaged about the same as in September. The farm price of butterfat on September 15 of 17.6 cents was only 0.1 of a cent higher than a month earlier, 9 cents or 34 per cent less than a year earlier, and about 30 per cent below the pre-war average.

From August 15 to September 15, the farm price of grains declined. On September 15, the farm price of butterfat was higher in terms of feed grains than on August 15, and higher than a year earlier.

Trade output of creamery butter in August of 147,100,000 pounds was 1.7 per cent less than in August 1931. This is in contrast to the 3.8 per cent increase in production. The retail price of butter in August of 26.8 cents per pound was about 3 cents higher than in July but about 22 per cent less than a year earlier. These changes indicate that consumer expenditures for butter in August were about 23 per cent less than in August 1931.

The net-out-of-storage movement of butter in September was only about three-quarters as greast as the out-movement in September, 1931, but about 25 per cent larger than the 5-year average for September. Cold storage holdings of creamery butter on October 1 of 89,500,000 pounds were 9,300,000 pounds more than a year earlier, but with the exception of 1931, holdings on October 1 were the smallest for that date since 1921.

From September 15 to October 6, foreign butter prices declined. The officia quotation in Copenhagen declined about 1 cent, and prices in London were somewhat lower. On October 6, the price of 92-score butter in New York was 5.2 cents higher than the Copenhagen official quotation and 3.4 cents higher than New Zealand butter in London.

CHEESE

The decline in cheese production from July to August was less than the usual seasonal decline, and production in August was somewhat greater than a year earlier. In the spring and early summer, production was about 10 per cent less than in 1931. In contrast with the increase in production, the movement of cheese into consumptive channels in August was about 2 per cent less than a year earlier. Cold storage holdings of cheese are small but there was an into-storage movement in September instead of the usual out-of-storage movement. Cheese prices in Wisconsin in September at 11.0 cents per pound were somewhat higher than in August, but about 20 per cent less than in September 1931.

Cheese production in August of 44,500,000 pounds was 7 per cent less than the record August production in 1929 but 1.0 per cent larger than in August 1931. This was in marked contrast to the first 7 months of the year when production was about 10 per cent less than in the same period of 1931. The decline in cheese production from July to August was only 5 per cent as compared with the usual seasonal decline of about 14 per cent. In Wisconsin and in the North Atlantic States, production of American cheese in August was less than a year earlier, but in each of the other groups of States, August production was decidedly larger in the same month of 1931.

The ruling price of cheese (twins) on the Wisconsin Cheese Exchange in September of 11.0 cents was 0.4 cents higher than in August, but 3.0 cents less than in September 1931. The increase in price from August to September was about the same as the usual seasonal increase.

The movement of cheese into consumptive channels in August of 45,300,000 pounds was about 2 per cent less than in August 1931, whereas production was 1 per cent larger. The retail price of cheese in August of 22.6 cents was 3 per cent higher than in July but 15 per cent less than in August 1931.

Cold storage holdings of American cheese on October 1 of 68,200,000 pounds were 2,800,000 pounds less than the small holdings of a year earlier, and the smallest for October 1 since 1927. In September there was a net-into-storage movement of 1,400,000 pounds compared with an out-of-storage movement in September 1931 of 2,800,000 pounds. Only 4 times in the last 18 years has there been a net-into-storage movement in September.

Imports of cheese in August of 4,400,000 pounds were about the same as a year earlier. From September 8 to October 6 the price of Canadian cheese in London (on a gold basis) advanced about one-half cent a pound, while the price of New Zealand cheese rose about 0.3 of a cent. On October 6, the margin between the domestic price of cheese and the price of Canadian cheese in London was 3.4 cents a pound.

EGGS

Egg prices during September advanced at a more rapid rate than usual because of relatively light current and prospective supplies. Receipts of fresh eggs have been somewhat less than a year ago and storage stocks are much lower than in recent years.

Prices of special packed midwestern eggs at New York averaged 25.5 cents in September, an advance of 2.5 cents over the August average. Rehandled receipts advanced 3.5 cents from their August average to 20.8 cents. The farm price of eggs on September 15 was 17.2 cents compared to 14.7 cents on August 15 and 19.1 cents on September 15,1931.

The farm price of eggs on September 15 was 85 per cent of the 1910-1914 September average, whereas in August it was 81 per cent. Grain prices were 42 per cent of pre-war in August and only 40 per cent in September. Prices of meat animals also showed a decline from 67 per cent to 64 per cent. The rise in egg prices is an inducement to save hens and pullets this fall but this may be partially offset by the opportunity to sell chickens at their present relatively higher prices.

Reports from crop correspondents indicate that the increase in the number of hens and pullets of laying age in farm flocks in the East North Central States from September 1 to October 1 was about 9-1/2 per cent; the same as a year ago. In the West North Central States the increase was about 8-1/2 per cent this year compared to 10 per cent last year. In the Far West, including the Mountain States, the increase this year was 2 per cent compared to 8 per cent in 1931.

Receipts of eggs at the four markets during September were the lightest in the past 10 years, being 802,000 cases compared to 894,000 cases a year ago and a 5-year average of 884,000 cases. A large part of the difference is due to a marked reduction in receipts from the Pacific Coast. For the week ended October 1 receipts at country packing plants were reported at 13 per cent below the corresponding week last year for the Pacific Coast States, but 24 per cent above a year ago for the Central West.

United States cold storage holdings of case eggs on October 1 were 4,895,000 cases compared to 7,960,000 cases a year ago and a 5-year average of 8,166,000 cases. Peak holdings this year were about at the level prevailing in the period before 1922. On August 1 this year they were 6,422,000 cases compared to an average of 6,697,000 cases from 1915 to 1921. The October 1 average for this same period is 5,645,000 cases, indicating a more rapid rate of consumption of storage eggs.

CHICKENS

The farm price of chickens in mid-September was about the same as the level that existed during the summer. Receipts, which have been much less than a year ago, increased sharply in the last half of September to nearly the level of the same period in 1931. Storage stocks are unusually low.

The farm price of chickens on September 15 was 11.6 cents a pound compared to 11.7 cents on August 1, 15.7 on September 15, 1931, and was the same as the September average for the years 1910-1914. This is the only commodity in the series of monthly farm prices published by this Bureau which is as high as pre-war level. With an estimate of 7.5 per cent more chickens raised this year than last and with the relatively favorable farm price of chickens, heavy receipts may be expected this fall and winter.

Receipts of dressed poultry at the four markets during September were 24,000,000 pounds compared to 32,000,000 a year ago and a 5-year average of 26,000,000 pounds. For the week ended October 1 receipts were 6,700,000 pounds, the same as the week before, compared to 6,800,000 pounds for the corresponding week in 1931.

Storage holdings of dressed poultry, which are now just above the seasonal low point of the year, are quite low, being 36,661,000 pounds on October 1 compared to 56,200,000 pounds on October 1, 1931 and a 5-year average of 50,400,000 pounds.

LAMBS

The lamb market after continuing at an unusually stable level from the middle of August to the middle of September, declined rather sharply during the latter part of the month. This decline carried the prices of slaughter lambs to the lowest point since the end of last May. The top on choice lambs at Chicago which had been around $6.50 for some weeks dropped below $6,00 before the end of the month and to $5.65 early in October. Prices of feeder lambs advanced about 75 cents from the middle of August to the middle of September, but a part of this advance was lost although best feeder lambs are still above $5.00 at Chicago. The spread between slaughter lambs and feeder lambs early in October was the narrowest since the fall movement got under way.

Supplies of slaughter lambs in September continued relatively large. Inspected slaughter was the same as in September 1931, which was the largest for that month on record. Market receipts of lambs and sheep, however, were much smaller than last year, with the number at the 7 leading sheep markets 17 per cent smaller. This discrepancy between receipts and slaughter was due to the big decrease in the shipments of feeder lambs in September this year. The estimated shipments (inspected through markets) into the Corn Belt States were only about 55 per cent as large as in September 1931, 60 per cent of the 5-year September average, and the smallest since 1921. For the 3 months July to September such shipments were only 53 per cent of a year previous and the smallest in 14 years.

All present indications point to a sharp decrease in the number of lambs to be fed this year in the Corn Belt, with no offsetting increase in other States, although most of the Western States, except Colorado, will probably feed more lambs this year than last.

Market supplies of lambs will continue to run below last year for the next few months. While there will be some decrease in slaughter it will not be relatively as large as decreases in receipts. In most years a fair indication as to the total volume of lamb feeding, and hence of slaughter during the 6 months October to April, can be secured from the figures of total sheep and lamb slaughter during the 6 months, May to October, inclusive. During the 10 years, 1922 to 1931, the slaughter from May to October, during which period most of the animals slaughtered are grass fat, averaged a little more than 51 per cent of the total crop year slaughter, May 1 to April 30, and the departure from this average in any year was small. The slaughter during those months this year, with October estimated, will be around 9,200,000 head. If this were 51 per cent of the total, the total for the crop year would be about 18,000,000 head and for the 6 months, November to April, during which period most of the slaughter is of fed lambs, would be about 8,800,000 head. This would be somewhat smaller than last year but much above any other recent year.

Considering the reduction in the size of the lamb crop and other conditions it seems probabld that the distribution of slaughter this year will be more like that of the crop year 1921-22, when the slaughter during the first 6 months was 57 per cent of the total. If it should be as large a proportion this year the total would be about 16,200,000 and for the 6 months November to April, it would be only about 7,000,000 which would be smaller than for the preceding 3 years but above any other year since 1913.

WOOL

The domestic wool market has been somewhat quiet following the extreme activity of August and early September. Prices, however, remained firm and some further advances were made during the month ended October 8. Advances in prices at Boston from the low point in July to early October ranged from 33 to 60 per cent for the various grades. For the week ended October 8, fine (64s,70s,80s) strictly combing territory wools, scoured basis, were 47-50 cents a pound at Boston compared with 46-48 cents 1 month earlier. Territory 56s were 42-44 cents a pound the first week in October compared with 41-43 cents in September. Ohio and similar grease wools ranged from 16 to 23 cents a pound. The sharp rise in domestic prices caused some inquiry on foreign wools at Boston but prices of most wools, particularly the finer grades, are still considered below an import level.

Foreign wool markets are steady. The sixth series closed at London on October 13 with prices of merino combing wools around the highest levels reached at the series, but prices of other wools were weaker. Compared with the close of the previous series prices were 5 to 15 per cent higher. Prices at this series and at recent sales in the Southern Hemisphere have been largely maintained by continental and Japanese competition. While the wool industry of the United Kingdom has shown more confidence generally during the past month, Bradford buyers are purchasing with caution due to a shortage of cloth orders. Continental wool markets report an improvement.

Consumption of combing and clothing wool showed further improvement during August. Reported consumption for the month was 39,000,000 pounds (grease equivalent), an increase of 62 per cent over the July consumption of 24,000,000

pounds and 3 times as large as consumption at the low point in May. Reported consumption for the first 8 months of the present year was 188,000,000 pounds (grease equivalent) or only two-thirds as large as consumption reported for the same period in 1931.

Receipts of domestic wool at Boston were somewhat above normal for September but total receipts for the first 9 months of the year were only 181,000,000 pounds compared with an average of 204,000,000 pounds for that period for the 5 years 1927-1931. Last year receipts were very large and 237,000,000 pounds had been received by October 1. Imports of combing and clothing wool from January through August 1932 were only 13,740,000 pounds compared with 30,395,000 imported in that period last year.

Shearing of the new clip began unusually early this year in Southern Hemisphere countries. Favorable weather conditions combined with better prices for the new clip accelerated shearing operations, especially in Australia. The prospective supply of wool for disposal during the entire 1932-33 season in four important Southern Hemisphere countries (Australia, New Zealand, Union of South Africa and Uruguay) is provisionally estimated at 1,850,000,000 pounds, including carry-over; an increase of about 5 per cent above 1931-32. No estimate of production is as yet available for Argentina. The bulk of the wool carried over at the end of 1931-32 was crossbred and a considerable portion is reported to be in New Zealand with fair quantities in South American countries.

COTTON

Cotton production estimates for the United States have been practically unchanged since the first one of the year, issued August 8. This year's crop is placed well below last year's world consumption of American cotton but because of the extremely large carry-over the total supply is larger than world consumption in the past 2 years combined. Some important reductions have been made in foreign cotton crop, but due to larger crops in India and China, foreign supplies promise to be greater this year than last.

Following the high point reached on August 27 the trend of cotton prices has been downward. Prices of the more distant futures are down nearly to the levels of the first week of August. Spot prices, however, are over a cent a pound above the level of the first week in August and are at almost the exact level of the second week of August.

Domestic mill consumption was rather high in September reflecting the large buying movement in cotton textiles that occurred in August and early September. Trade reports indicate that during the heavy buying movement the output of many mills was sold for 2 or 3 months in advance. Exports are running ahead of last year and are more normally distributed among countries. During the first 2 months of the season there was a buying movement in Europe very similar to the one in the United States.

Prices received by producers rose from 4.6 cents per pound on June 15 to 7.2 cents per pound on September 15 compared with 5.9 cents per pound on September 15, 1931. From the high point of 8.84 cents for middling 7/8 inch cotton at the 10 spot markets reached August 27, prices declined to 6.29 cents on October 13. Much of this decline was associated with a decline in prices of industrial stocks. One of the marked features of cotton prices in the past few weeks has been the strength of spot prices in comparison with futures. For the

week of October 3 to 8, prices at the 10 spot markets averaged 6.80 cents per pound whereas the October futures in New York averaged 6.88, a difference of .08 cents per pound. For the corresponding week last year the difference was .48 cents per pound. The difference between prices at the 10 spot markets and New York contracts for delivery next July was .46 cents per pound for the first week of October compared with .96 cents per pound the first week of August. This narrowing of the spread between spot and futures prices reflects in part the current demand for spot cotton and the moderate marketings of the new crop together with the strength with which old cotton is being carried. The October forecast places the 1932 cotton crop at 11,425,000 bales compared with the final estimate of last year's crop of 17,096,000 bales. The October estimate was 115,000 bales above the September estimate and 119,000 bales above the August estimate.

Cotton consumption in the United States rose to 492,000 bales in September compared with 434,000 bales in September 1931. This was the first month since February 1932 that cotton consumption exceeded that for the corresponding month of the previous year. Exports of cotton from the United States amounted to 734,000 bales in September compared with 558,000 bales in September 1931 and 903,000 bales in September 1930. For the first 2 months of this year exports have amounted to 1,186,000 bales compared with 769,000 bales the first 2 months of last year and 1,269,000 bales above the corresponding months for 1930. The greatest increases in exports over last year were those to Germany, France and the United Kingdom. Exports increased to practically all European countries, however, but were smaller to Japan, China and other countries. The increase in exports to Europe reflects the buying movement that occurred there at the same time the heavy buying of cotton textiles took place in the United States. The decrease in exports to Japan and China reflects the large stocks of American cotton in those countries and the larger Chinese and Indian cotton crops.

The weekly average rate of cotton cloth production in the United States rose 26 per cent in September according to reports of the Association of Cotton Textile Merchants of New York. Sales amounted to 102.6 per cent of production for the month but weekly average sales fell from 127,633,000 yards in August to 58,482,000 yards for September compared with 55,654,000 yards for July and 50,507,000 yards for the last crop year as a whole. Current market reports indicate that the heaviest sales for September occurred in the first part of the month. Shipments increased and stocks of goods on hand declined to new low levels. Unfilled orders, although 8.6 per cent below those at the end of August, were the highest of any other month since March, 1929.

Business statistics relating to domestic demand

Year and month	Industrial production	Factory payrolls	Factory employment	Commodity prices: United States: At farms 2/	Commodity prices: United States: Wholesale 3/: 1910-1914 = 100	Commodity prices: United States: Wholesale 3/	Commodity prices: Foreign 4/: In currency	Commodity prices: Foreign 4/: In gold	Interest rates 5/	Industrial stock prices 6/
	1923-1925 = 100 1/					1926= 100				
1929										
July	124	109	102	140	141	96	94	96	6.00	344
Oct.	118	106	100	140	139	95	94	96	6.19	321
1930										
Jan.	106	97	94	134	135	92	90	92	4.94	252
Apr.	104	95	92	127	131	90	86	88	3.88	288
May	102	93	91	124	130	89	84	86	3.73	269
June	98	91	89	123	127	87	84	85	3.54	239
July	93	85	86	111	123	84	83	84	3.16	232
Aug.	90	82	85	108	123	84	83	84	3.00	231
Sept.	90	83	84	111	123	84	81	83	3.00	232
Oct.	88	78	83	106	121	83	80	81	2.92	196
Nov.	86	74	81	103	119	81	79	80	2.88	182
Dec.	84	73	79	97	116	80	78	78	2.88	170
1931										
Jan.	83	70	78	94	114	78	76	77	2.85	168
Feb.	86	72	77	90	112	77	76	76	2.63	181
Mar.	87	72	78	91	111	76	76	76	2.52	182
Apr.	88	72	78	91	109	75	76	76	2.58	162
May	87	71	78	86	107	73	74	74	2.20	143
June	83	68	76	80	105	72	74	74	2.00	138
July	82	67	75	79	105	72	74	73	2.00	143
Aug.	78	64	74	75	105	72	72	72	2.00	139
Sept.	76	62	73	72	104	71	71	68	2.02	119
Oct.	73	58	70	68	103	70	72	66	3.50	102
Nov.	73	56	68	71	102	70	72	65	4.03	104
Dec.	74	55	68	66	100	69	72	61	3.88	81
1932										
Jan.	71	54	67	63	98	67	71	60	3.88	79
Feb.	70	52	67	60	97	66	71	60	3.84	80
Mar.	67	50	66	61	96	66	71	61	3.83	82
Apr.	64	48	64	59	96	66	69	60	3.73	63
May	60	46	62	56	94	64	68	59	3.27	53
June	59	43	60	52	93	64	67	57	2.94	47
July	58	41	58	57	94	64	67	56	2.54	46
Aug.	60	40	58	59	95	65			2.32	68
Sept.				59					2.25	73

1/ Federal Reserve Board indexes, adjusted for seasonal. 2/ U. S. D. A. August 1909-July 1914 = 100. 3/ Bureau of Labor Statistics' index. 4/ Weighted average of indexes for 8 foreign countries - United Kingdom, Canada, Japan, France, Italy, Germany, China and the Netherlands. 5/ The Annalist. Average of daily rates on commercial paper in New York City. 6/ Dow-Jones index is based on daily average closing prices of 30 stocks.

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UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics
Washington

For release November

THE PRICE SITUATION, NOVEMBER 1932

FARM PRICES

Market prices of farm products indicate that the general level of farm prices in mid-November is somewhat lower than a month ago. Market prices of grains, cotton, and most livestock have declined considerably since mid-October.

The index of farm prices on October 15 was 56 per cent of the 1910-1914 average compared with 59 per cent a month earlier, 52 per cent in June and 68 per cent a year ago. All farm products included in the farm price index, except dairy products, eggs and wool, declined in price from mid-September to mid-October.

The exchange value of farm products for the goods farmers buy was 52 per cent of the pre-war average on October 15 compared with 55 on September 15, and 56 per cent on October 15, 1931.

WHOLESALE PRICES

Nearly all of the rise in the general level of wholesale prices from mid-June to early September has now been lost. The Bureau of Labor Statistics' weekly index of all commodity prices (1910-1914 = 100) rose from the post-war low of 93.0 in mid-June to 95.9 for the first week in September and then declined to 93.3 for the week ended November 5.

Prices of building materials, chemicals and drugs, and house furnishing goods, particularly the latter, are now lower than in mid-June. Prices of fuels and lighting products are now the highest of all the groups relative both to mid-June and to pre-war prices. The upswing in prices from June to September and the subsequent downswing were both largely confined to farm products, hides and leather, textiles, and foods. Building materials, house furnishing goods and metals did not share much in this summer price advance, but continued on a slightly downward price trend.

BUSINESS CONDITIONS

Industrial production, factory employment and factory payrolls, after reaching the low point in July, showed considerably more than the usual seasonal increase in August and September. Available information indicates that the more than seasonal increase in general business activity was continued in October, though at a somewhat slower rate. The Federal Reserve Board index of industrial production (adjusted for seasonal variation) increased from 58 per cent of the 1923-1925 average for July to 66 per cent for September, due largely to the increase in textile production. The seasonally adjusted indexes of factory employment and factory payrolls advanced from 58 and 40 respectively for July to 60 and 42 per cent for September.

Carloadings advanced from August to mid-October at considerably more than the usual seasonal rate, while electric power production increased at about the usual seasonal rate. Automobile production was at an unusually low level in mid-October, but has increased a little since then as preparations are being made to bring out new models. Steel production increased from September to early November, when the steel industry was reported operating at over 20 per cent of capacity for the first time since early in June. The trend of steel output in the near future will be largely determined by the rate of expansion in automobile production and the amount of railroad repair work. Building contracts for October, as reported by the F. W. Dodge Corporation, were nearly 16 per cent less than for September, a decrease of over twice the usual seasonal amount.

Monetary gold stocks have continued to increase since June when gold began to flow back to the United States. "Money in circulation" has continued to decrease, though at a slower rate. About $100,000,000 of new national-bank notes have been issued under the Glass-Borah amendment to the Home Loan Bank Act. These developments have increased the reserve funds of member banks, as holdings of United States Government securities by Federal Reserve banks have been maintained at about the high level reached in early August. Consequently member banks have considerably reduced their indebtedness to the reserve banks, and have at the same time increased their reserves to about $400,000,000 above legal requirements. Despite these increased reserves and the improved position of member banks to make loans, bank loans outside of New York City have continued to decline.

The Dow-Jones index of industrial stock prices declined from an average of 73 in September to 64 in October, compared with the low of 46 in July. Domestic bond prices declined during October and until November 3, after which both bond and stock prices picked up.

WHEAT

Wheat prices during October and early November continued the downward trend begun early in September. The downward trend of Liverpool prices has been fairly steady, while prices in American markets have been more erratic in their movements. The level of world shipments has continued small thus far this season despite a marked bulge which took place during September and October. The low level of shipments has been the result of restricted demand of the importing countries, as supplies continue burdensome in some of the exporting countries. The British duty on non-Empire wheat is scheduled to go into effect on November 15, and may result in a temporary realignment of prices as between exporting countries within and without the British Empire because of the very restricted demand of continental Europe.

The United States average farm price as of October 15 was 34.8 cents per bushel, which marks a new low since monthly farm prices of wheat were first collected in 1908. It is also lower than any United States average price received by producers as of December 1, and the December 1 prices run back to 1866. On September 15 the farm price averaged 37.4 cents per bushel and in October 1931, 36.1 cents.

Central market prices in the United States also declined to new low levels, December futures at Chicago reaching a low of 41-7/8 cents per bushel

on November 3. This is the lowest price in the history of the Chicago Board of Trade, as well as the lowest price recorded at Chicago since modern transportation was available from that city to the seaboard. Lower prices of wheat have not been recorded at Chicago since 1843, during which year prices there were at one time as low as 30 cents per bushel. For the week ended November 4 the weighted average price of all classes and grades at six principal markets averaged 48.1 cents per bushel compared with 53.0 cents during the first week of October and 69.3 cents for the first week of November 1931. All classes of wheat were at new low levels for the year during the week ended November 4. No. 2 Hard Winter at Kansas City averaged 42.1 cents, and No. 2 Red Winter at St. Louis 46.7 cents per bushel. At Minneapolis No. 1 Dark Northern Spring averaged 49.9 cents per bushel, and No. 2 Amber Durum 47.1 cents.

World shipments of wheat have continued at low levels. Total shipments thus far this season (for the weeks July 9 to November 5 inclusive) have averaged only 10,314,000 bushels weekly compared with 15,012,000 weekly during the corresponding period of last year, and an average of 14,576,000 bushels during the corresponding period of the past 5 years. From early July to mid-September total shipments averaged only about 9,000,000 bushels weekly, but during September there was a marked increase, and for the past 8 weeks they have averaged 12,802,000 bushels weekly. This, however, is a low level of shipments as compared with the corresponding period of the previous years.

The low level of world shipments of wheat has been due primarily to the large crops of the importing countries of continental Europe combined with drastic restrictions on the importation of wheat into these countries. Supplies of wheat in the principal exporting countries continue to be abundant and a heavy movement overseas would result if the importing demand and prices warranted.

During the latter part of September and early October prices of December futures at Chicago averaged only about 3 cents per bushel below corresponding futures at Liverpool. Since that time this spread has widened and during the first 10 days of November it averaged about 7 cents per bushel. The British tariff on wheat from non-Empire countries goes into effect November 15 and will amount, at present rates of exchange, to about 4 cents per bushel. In most years the effect of Empire preference will probably be primarily to result in more Empire grown wheat being consumed in the United Kingdom and less on the Continent of Europe. Similarly less non-Empire wheat (primarily United States and Argentine wheat) will be consumed in the United Kingdom and more on the Continent of Europe. In most years this will probably result in little change in relative prices in Empire and non-Empire countries. In years like the present, however, with the demand for wheat on the Continent of Europe greatly restricted because of large crops in the importing countries, as well as present drastic import and milling restrictions, it may be that the British tariff on non-Empire wheat will result in temporarily abnormal relationships between prices in the various exporting countries.

In recent weeks wheat prices in the United States have shown a marked tendency to fluctuate from day to day in unison with the stock market and

with the prices of other speculative commodities. Nevertheless, in the past month there has been much more of a decline in Wheat prices than in the prices of industrial stocks.

CORN

Corn prices declined to new low levels during October. The November preliminary estimate of production was somewhat larger than the production indicated by October 1 conditions. The new crop combined with stocks of old corn provide the largest total supply since 1921. Production this year is especially heavy in the central and west central part of the Corn Belt.

The United States average farm price as of October 15 was 21.6 cents per bushel compared with 28.0 cents a month earlier and 33.4 cents a year earlier. The October price represents the lowest level which has been reached since monthly farm prices were first gathered in 1908. It is lower than any recorded United States average farm price as of December 1 save that of 1896 which was 21.3 cents per bushel.

Prices of corn at the principal markets declined quite steadily during October. No. 3 Yellow at Chicago averaged 27.1 cents per bushel for the week ended October 7 and was lower in each of the 4 following weeks and for the week ended November 4 it averaged 24.5 cents per bushel. Recent prices are the lowest at which corn has sold in Chicago since 1897.

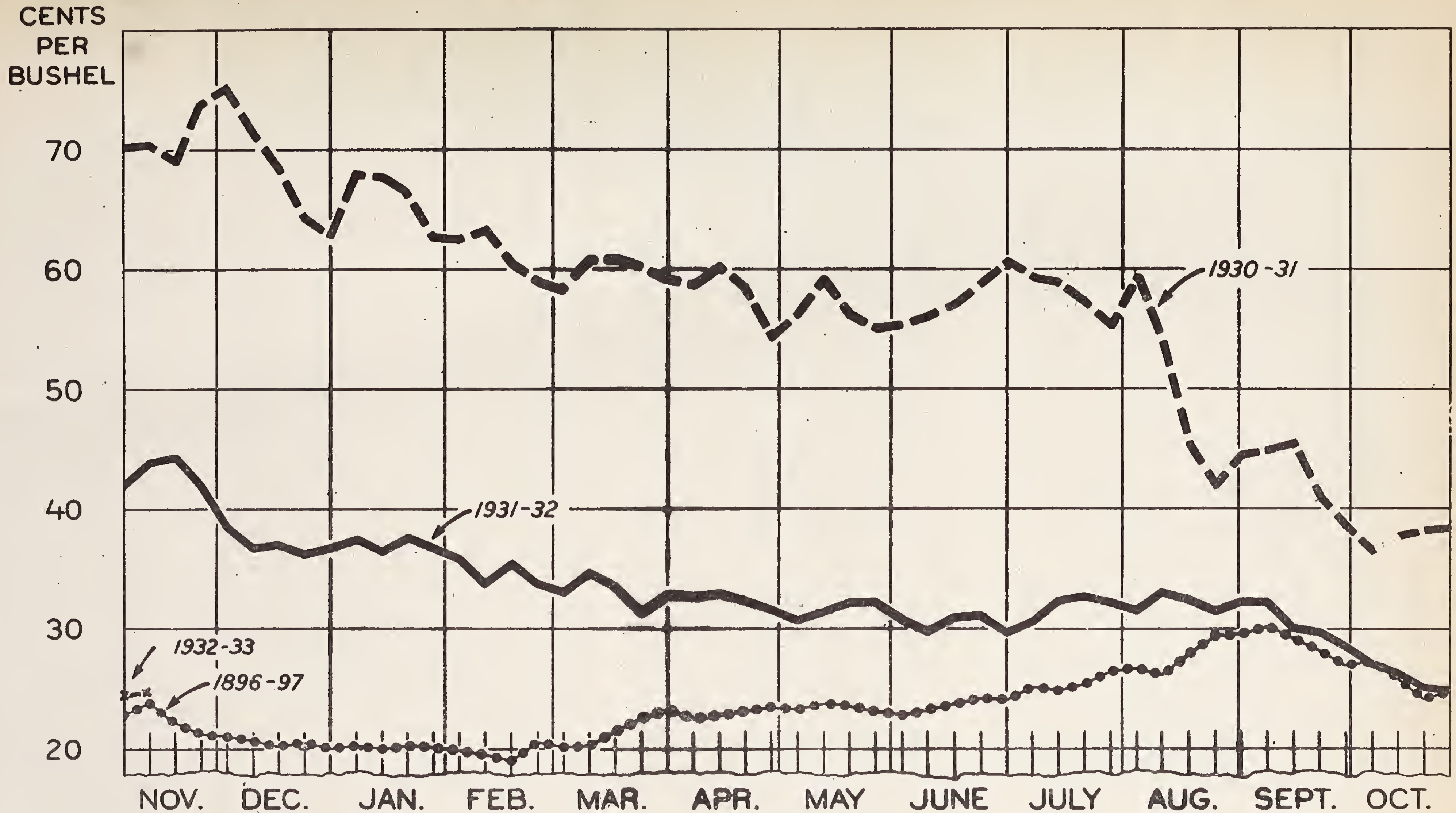
The preliminary estimate of production as given in the November crop report is 2,921,000,000 bushels compared with the October forecast of 2,885,000,000 bushels. The crop is almost the same as that of 1921 when 2,912,000,000 bushels were produced. The present estimate is well above both last year's estimated production of 2,563,000,000 and the average for the 5 years 1927-1931 of 2,510,000,000 bushels. Stocks on farms are estimated at 155,000,000 bushels compared with 79,000,000 last year. Bradstreet's visible supply as of October 29 totaled 28,252,000 bushels. The carry-over plus the new crop results in total supplies in all reported positions being larger than in any year since 1921. Total supplies amount to 3,104,000,000 bushels for this year compared with 2,650,000,000 last year.

The corn crop is especially heavy in the central and western parts of the Corn Belt. In Iowa the crop is the largest in history, being estimated at 540,000,000 bushels compared with 393,000,000 last year and a 5-year average of 415,000,000. The 4 States, Illinois, Iowa, Missouri, and Nebraska have produced 1,392,000,000 bushels this year compared with 1,074,000,000 last year and an average of 1,093,000,000 bushels in the past 5 years.

This year's crop is also large in the northern part of the Corn Belt. Michigan, Wisconsin, Minnesota and North Dakota all have crops larger than that of last year and larger than the 5-year average. Consequently the crop in both the East North Central and West North Central groups of States is above that of last year and above the average of the past 5 years.

In many Southeastern States, on the other hand, the crop is quite small. Thus, in Virginia it amounts to only 27,000,000 bushels compared with 43,000,000 last year and an average of 34,000,000, and in North Carolina to 36,000,000 bushels compared with 48,000,000 last year and an average of

CORN, NO.3 : PRICE AT CHICAGO, 1896-97, AND 1930-31 TO DATE



1896-97, NO. 3 IN STORE ; 1930-31 TO DATE, NO. 3 YELLOW, CARLOT SALES

U.S. DEPARTMENT OF AGRICULTURE NEG. 21895 BUREAU OF AGRICULTURAL ECONOMICS

FIGURE 1 - IN THE PAST TWO YEARS CORN PRICES HAVE DECLINED DRASTICALLY - PARTLY THE RESULT OF A DEEPENING BUSINESS DEPRESSION. THE 1930 CROP, HOWEVER, WAS VERY SMALL AND THAT OF 1931 ABOUT AVERAGE, WHILE THE 1932 CROP IS A LARGE ONE. THE CROP YEAR 1896-97 LIKE 1932-33 WAS A YEAR OF LARGE PRODUCTION AND WAS THE SECOND YEAR FOLLOWING A SHORT CORN CROP. IT WAS ALSO A YEAR OF LOW WHEAT PRICES AND OF CONTINUED DEPRESSION, THOUGH THERE WAS A MARKED IMPROVEMENT IN BUSINESS DURING THE LATTER PART OF THE YEAR

41,000,000 bushels in the past 5 years. In the entire group of South Atlantic States total production for this year is 156,000,000 bushels compared with 195,000,000 last year and an average of 170,000,000 in the past 5 years.

The differences in the relative abundance of supplies in the various parts of the country have resulted in marked variations in average prices in different States. Thus, in Iowa the October 15 price was only 14 cents per bushel and in South Dakota 10 cents per bushel, whereas in North Carolina it was 47 cents per bushel and in South Carolina 52 cents. In some of the Far Western and New England States even higher prices were reported.

In many of the States, farm prices as of October 15 probably do not reflect the full adjustments of farm prices to a new crop basis. Consequently, quite aside from any changes which there may be in market prices between October 15 and November 15, it seems likely that prices received by farmers in mid-November in some States are even lower than those of October 15.

Though the United States average farm price as of October 15 was not quite as low as that of December 1, 1896, prices in a number of States were considerably lower than in 1896. The lowest State average price for December 1, 1896, was that of Nebraska, and was 13 cents per bushel; the Iowa average was nearly as low at 14 cents per bushel, and in Illinois it was 18 cents. The lowest State average price as of October 15, 1932, was 10 cents per bushel for South Dakota, while the Nebraska average was 15 cents per bushel, that for Iowa 14 cents, and the Illinois average 17 cents per bushel. The fact that prices are lower in some of these States this year than on December 1, 1896, despite Chicago market prices being somewhat higher, is probably due largely to higher freight rates than those prevailing in 1896.

The general corn situation this year is in many respects quite similar to that of 1896. The year 1896 was the second after the very short corn crop of 1894; and 1932 is the second year following the very short corn crop of 1930. Both 1896 and 1932 are years of very low wheat prices, though wheat was not quite so low in price in 1896 as it is now. The 1896 corn crop is estimated as having been 2,503,000,000 bushels, the highest production reported up to that date. While the 1932 corn crop is not the largest on record, it is nevertheless larger than any crop since that of 1920 and has been exceeded by only three crops in our history; those of 1912, 1917 and 1920. Relative to the number of corn consuming animal units represented by the live stock now in the United States, this year's crop is probably of about the same size as was the crop of 1896. The average level of wholesale prices of all commodities is now somewhat higher than it was in 1896, but wheat prices are lower.

A somewhat similar comparison might be made with the crop of 1921 which was almost exactly the same size as that of this year. The year 1921, like 1932, was one of depression, but in October, 1921, the index number of wholesale prices of all commodities was 137, compared with about 94 in October of this year. The United States average farm price of corn for October 1921 was 46.0 cents per bushel. The difference in the general price level, together with the lower price of wheat (the average price of No. 2 Hard Winter wheat at Kansas City was 110 cents per bushel in October 1921, while it was 45 cents per bushel in October 1932) are outstanding causes of corn prices being

lower now than in 1921. It is also significant, however, that the corn crop of this year is differently distributed between the States. In 1921 more corn was produced in the North Atlantic, South Atlantic and South Central States, while the crop of both the East and West North Central States was smaller than is the case this year.

POTATOES

The November preliminary estimate of the total United States potato crop is 359,000,000 bushels compared with 376,000,000 bushels produced in 1931 and the 5-year average (1924-1928) of 361,000,000 bushels. The chief reduction in this year's crop, however, was in the 11 early States, where the combined commercial and non-commercial production amounted to 30,000,000 bushels compared with 40,000,000 bushels in 1931, or a reduction of 26 per cent. The seven intermediate States produced 35,000,000 bushels in 1932 compared with 37,000,000 bushels in 1931, a reduction of only 5 per cent. Production in the 30 late States in 1932 was forecast at 294,500,000 bushels, a reduction of about 1 per cent, or of 3,700,000 bushels, from the 1931 production. Of this group the 18 surplus or shipping States are indicated to have a crop of 251,000,000 bushels or 10,600,000 bushels less than in 1931. The crop in the 10 Western States is about 1,500,000 bushels smaller than in 1931, in the 5 central shipping States about 9,000,000 bushels more were produced than in 1931, and in the three northeastern surplus States the crop is 18,000,000 bushels smaller. On the other hand the 12 late States other than the surplus have a crop nearly 7,000,000 bushels greater than in 1931.

Total car-lot shipments of potatoes in October 1932 established a record low for that month of 14,233 cars compared with 24,393 cars in October 1931, and a 10-year October average (1922-1931) of 32,957 carloads. Car-lot shipments from the 30 late States up to November 5, 1932 amounted to about 33,000 cars compared with 53,000 cars through the corresponding period in 1931. This reduction of approximately 38 per cent is offset to some extent by increased truck shipments. However, with a total supply about the same as last year indications are that a larger proportion than usual will be available for marketing after January 1. The reduction in car-lot shipments in 1932 for the intermediate States was 23 per cent and for the early States 46 per cent. The greatly reduced 1932 production in the early States because of the 34 per cent acreage reduction in these States and low yields due to the severe freezes in the Gulf States during March and drought in Georgia, South Carolina, Virginia and Maryland. Up to November 5, 1932 about 79,000 cars of potatoes had been shipped from the early States this year compared with 124,000 for the corresponding period in 1931.

Producers of late potatoes in the fall of 1932 are receiving record low prices due to the further decline in consumer incomes and to the greatly increased supply of home grown potatoes. The record low United States farm price in mid-October of 34.4 cents per bushel is 11.4 cents less than in October last year and $3\frac{1}{2}$ cents less than in May 1910, which was the lowest previously recorded in the 24 years for which records are available. Prices received by growers in all of the commercial late producing States, excepting Maine, are lower this fall than a year ago.

October average price cash to growers, per cwt., U.S. No.1

	Cadillac, Michigan	Idaho Falls, Idaho	Waupaca, Wisconsin	Presque Isle, Maine
1924	$ .51	$ .73	$ .46	$ .56
1925	1.87	1.87	1.90	2.56
1926	1.59	1.74	1.65	2.20
1927	1.10	.68	1.05	1.38
1928	.46	.48	.37	.55
1929	2.15	1.88	1.87	2.08
1930	1.19	.96	1.21	1.09
1931	.32	.40	.36	.27
1932	.30	.24	.26	.31

According to the October 1, 1932 intentions-to-plant report, growers of the commercial potatoes in the early, second early, and intermediate States intend to decrease their acreage from 274,000 in 1932 to 234,000 acres in 1933 or approximately 14 per cent compared with a reduction of 21 per cent in 1932. This intentions-to-plant report may not be as reliable at this early date as the report in January when farmers will have made more definite plans. It does, however, indicate the direction of the trend in the various groups of States. Marked changes from these acreage intentions may take place depending on the credit facilities afforded to producers.

RICE

Rice prices in both Southern and California markets averaged lower for October than for September and much lower than for October, 1931. The decline was due to a decided decrease in demand for milled rice. Prices of rough during August, September and October this year held up better than milled rice prices because of restricted farm marketings. At New Orleans fancy blue rose sold at $2.05 per 100 pounds on November 7 compared with $2.25 on October 3. At San Francisco fancy California-Japan was quoted at $2.00 per 100 pounds on November 7 and $2.20 on October 3. Blue rose rough at southern mills on November 7 was quoted at $1.60 to $1.80 per barrel (162 pounds) compared with $1.75 to $2.00 on October 10. No. 1 California-Japan rough at Sacramento growing points was selling at 90 cents per 100 pounds on November 7 or 2 cents under the price a month earlier.

Southern Belt

Receipts of rough at southern mills during October were slightly smaller than for October 1931 and shipments of milled rice were about 40,000,000 pounds or 30 per cent smaller. Stocks of both rough and milled in millers' hands on November 1 were larger than a year earlier. Sales of milled rice were low in October because of a decreased demand in continental United States and in foreign markets. Puerto Rico was the only market in which October sales of southern rice were not below those of October 1931, totaling about 16,658,000 pounds compared with 12,781,000 pounds a year earlier. Sales to Puerto Rico are usually relatively heavy for 2 or 3 months following hurricane damage. Exports from southern ports during October were reported to be 9,566,000 pounds compared with 23,141,000 pounds for October, 1931.

California

Rough rice was moving to market in heavy volume during October but prices of rough remained practically unchanged. Milled rice sales to Hawaii during October were about 500,000 pounds larger than for October 1931 but September sales were smaller than those of a year earlier by about the same amount. No exports were reported from San Francisco for October. The October 1931 exports totaled only 391,000 pounds. Prices of California milled rice declined during October because of generally weak domestic demand and lower prices of southern rices.

HOGS

The steady decline in hog prices since mid-July continued through October but was checked in early November as a result of greatly reduced marketings. The decline, however, was not checked until all of the advance in June and July had been lost and prices had dropped to the lowest levels in 35 years. The average price of hogs at Chicago for October was $3.50 per 100 pounds as compared with $4.00 in September and $5.09 in October last year. The average for the week ended November 5 was only $3.17 compared with the previous low of $3.19 for the last week in May. The average for the second week in November, however, was up to $3.58.

Within the last few weeks hog marketings have shifted largely to a new crop basis although the proportion of old crop hogs in the market supply in October probably was larger than normal. Slaughter under Federal inspection during October amounting to 3,605,000 head, was 11 per cent larger than in September but was 4.5 per cent smaller than in October last year. There was one less slaughtering day in October this year than last, however. As indicated by slaughter at unspecified stations killings by interior packers increased materially during the month, and this accounts largely for the fact that the reduction in slaughter in October was relatively less than the reduction in hog receipts at the principal markets. Slaughter at Chicago and St. Paul was 21 and 35 per cent smaller respectively than in October last year.

Average weights at Chicago, Sioux City, Omaha and St. Paul were considerably heavier than in October last year largely as a result of the marketings of old crop hogs. Weights at six other points for which monthly averages are available were somewhat lighter than in October, 1931. The total dressed weight of hogs for the country as a whole, however, may not be greatly different from the total in October last year.

Corn prices declined even more sharply than hog prices between September 15 and October 15 and the United States hog-corn price ratio, based on farm prices rose from 13.5 to 15.0 during that period. The ratio in the North Central States on October 15 was 17.8 as compared with 15.6 a month earlier and 14.1 a year earlier. The ratio based on Chicago hog and corn prices in October, however, was only slightly higher than in September as hog prices in the last half of the month declined relatively more than corn prices.

Wholesale prices of fresh pork declined materially during October with the greatest reduction occurring in prices of light loins. Prices for most cuts of cured pork also declined. Bacon prices were fairly stable during the month but they declined appreciably in early November. Prices of lard weakened during the last half of the month. The composite wholesale price of

pork at New York during October was $11.00 compared with $11.80 in September and $16.54 in October last year.

The movement of pork products out of storage during October was relatively small for that month. The reduction in such stocks during October this year amounted to only 66,000,000 pounds compared with a 15-year average October reduction of 106,000,000 pounds. Stocks of pork on November 1, totalling 432,000,000 pounds were 14 per cent larger than those of a year earlier and almost 2 per cent larger than the 5-year average for that date. Stocks of frozen and dry salt pork were 11 and 25 per cent respectively, smaller than the 5-year averages for November 1, but those of pickled pork were 13 per cent larger. Lard stocks totalling 34,000,000 pounds were relatively small for November 1. They were 14 per cent smaller than those of a year earlier and 48 per cent smaller than the 5-year average for that date.

Exports of lard during September amounting to 45,000,000 pounds were 18 per cent larger than the unusually small exports in September last year. Pork exports for the month totalling less than 9,000,000 pounds were 19 per cent smaller than those of a year earlier. For the marketing year ended September 30, 1932, total pork exports were about 30 per cent smaller than those of the preceding year but the reduction in lard exports amounted to only 1 per cent. Shipments of pork and lard from the principal ports during October were slightly larger than those in September. Hog numbers in European countries have declined materially this year but foreign demand for American hog products is not likely to improve so much in the immediate future as normally would be expected from such a reduction in foreign slaughter supplies because incomes of European consumers have also declined and high tariff duties and other trade barriers are curtailing the volume of pork and lard imports by some countries.

There are many indications that more sows will farrow next spring than farrowed last spring and if the weather is favorable at farrowing time a considerable increase in the spring pig crop may be expected, especially in the Western Corn Belt where the pig crop was unusually small this year on account of the short corn crop of 1931 in that area. Because of the reduction in the 1931 spring pig crop and the probability of increased farm and local slaughter of hogs this winter, coupled with the liklihood of holding back more sows for spring farrowing, slaughter supplies from November to April will be smaller than those in the corresponding months of the 1931-32 hog marketing year. The large 1932 corn crop and the favorable hog-corn price ratio is likely to result in feeding hogs to heavier weights this winter and cause the peak in marketings to come at a somewhat later date than normal. Slaughter supplies during November and early December will probably be considerably smaller than those in that period last year.

CATTLE

The decline in cattle prices which started during the latter part of September continued with little interruption during October and the first part of November. For the week ended November 5 the average weekly price of choice steers at Chicago at $8.03 was $1.51 below the high week in September; during the same period good steers declined $1.35, medium $1.47 and common $1.68. While the weekly average prices of choice and good steers, early in November, were still somewhat above the low level reached in May of this year

medium and common beef steers were below the low May average and were at new low levels. All grades of slaughter cows also reached the lowest level of prices in many years, as did also veal calves, bulls and the lower grades of heifers.

The farm price of beef cattle October 15 at $3.91 was 40 cents lower than in September 1932, 85 cents lower than October 1931 and $1.18 lower than the 1910-1914 October average. Except for June of this year this was the lowest farm price shown in the 22 years for which such prices are available.

Prices of stocker and feeder cattle weakened in sympathy with the decline in fat cattle prices but the decline in the weekly average price of such cattle was less than in the price of beef steers, both relatively and absolutely. During August and September of this year, while fed cattle prices were advancing steadily, prices for heavy feeders were considerably higher than for light feeders and stockers but during October this price spread was eliminated and early in November light cattle were usually out selling heavy cattle, grade for grade.

While the recent decline in cattle prices has been largely seasonal, that on the better grades of beef steers came earlier than usual and much earlier than last year. Early seasonal declines in these grades are apt to occur in years similar to this, when there is a more than usual seasonal advance in better grade beef steer prices following the early summer low, and especially in years following those when prices of such cattle after advancing held up well to the end of the year. This arises from the fact that in such years relatively large numbers of heavy feeders are taken out in July, August and September for a short feed. Many of these are cattle that normally would have gone direct to slaughter and their being taken out of the slaughter supply tends to cause a larger than usual advance in the prices of beef steers during this period, but as they begin to come back in October and later months they tend to cause an early seasonal decline.

Market supplies of cattle in October were very small; receipts at seven leading markets being 10 per cent smaller than in October 1931, 20 per cent below the 5-year average and the smallest October receipts in over 15 years. Inspected slaughter was 11 per cent smaller than in October 1931 and 17 per cent below the 5-year October average. Calf slaughter was about 4 per cent smaller than a year earlier and 5 per cent below the 5-year October average.

Receipts of native beef steers at Chicago, however, were relatively large, being only 3 per cent smaller than in October 1931. For the first month since last March the supply of choice steers was larger than for the corresponding month in 1931 and for the first month since January the combined supply of good and choice steers was larger than a year earlier.

Shipments of stocker and feeder cattle into the Corn Belt in October were very small, being more than 10 per cent smaller than the small shipments in October 1931, 20 per cent smaller than the 5-year October average and the smallest for the month in 12 years. These small October shipments were in contrast to the preceding 3 months, in each of which shipments had exceeded the corresponding month in 1931. Total shipments for the 4 months July to September, inclusive, were smaller than in 1931 and the second smallest in 12 years. Offsetting this decrease in shipments through markets a considerable increase in shipments direct to feed lots and not going through any market

is reported from the States west of the Missouri River. The decreased shipments from markets in October reflected largely the decrease in supplies at these markets and, also, a growing lack of confidence in future beef cattle prices as a result of the weakness in such prices during October.

Market supplies of all cattle will probably continue small during November and December, but with relatively large supplies of both short and long feed steers. Although cow supplies tended to increase in September and were larger than in September 1931, this increase was not continued into October. With prices of low grade cows at such low levels it hardly seems likely that the culling of cows, which is usually quite heavy in November and December, will reach normal proportions this year.

BUTTER

Butter prices changed relatively little during the last 3 months. Ordinarily there is a sharp seasonal rise from August to October. Production of butter in September was larger than a year ago, while trade output was less. The out-of-storage movement in October was somewhat less than last year and stocks on November 1 were larger than a year ago. With prices of butterfat high compared with grain prices, the outlook is for relatively heavy production during the coming months.

Production of creamery butter in September of 124,000,000 pounds was the largest for any September on record and 2.4 per cent larger than a year earlier. The decline in production from August to September was less than the usual decline. The index number of production (adjusted for seasonal variation 1925-1929 = 100) stood at 104 in September compared with 100 in August and 95 in July.

September production was less than a year earlier in the Western and South Atlantic States. In each of the other groups of States production was larger than a year earlier. In the New England and Middle Atlantic States the increases were 16 and 25 per cent, respectively, indicating a larger amount of surplus milk than a year ago.

The price of 92-score butter at New York in October of 20.7 cents was about the same as in September and August. In the 10-year period, 1921-1930, the seasonal advance in prices from August to October averaged 10 per cent. This year the advance was only 2 per cent. The farm price of butterfat on October 15 of 17.6 cents per pound was 0.2 of a cent higher than a month earlier, about 12.5 cents less than a year earlier, and 8.4 cents less than pre-war.

Milk production per cow on November 1 was 11.70 pounds, about 6 per cent less than the high November 1 production of a year ago, but only 2 per cent less than the 1925 to 1929 November 1 average. The decline in production per cow from October 1 to November 1 was only two-thirds as great as the 1925 to 1929 average decline between the same two dates. Crop correspondents reported milking 68 per cent of the cows in their herds on November 1; this was somewhat lower than a year ago but above average.

From September 15 to October 15, the farm price of feed grains declined 16 per cent. Farm prices of butterfat are relatively high compared with farm prices of grain. This is especially true in the surplus grain producing sections.

Prices of butterfat, however, are so low that even with very cheap feed the returns per hour in butterfat production are small.

Trade output of creamery butter in September was 141,700,000 pounds, or 2.5 per cent less than a year earlier, in contrast with the 2.5 per cent increase in production. The retail price of butter in September was 27 per cent less than a year earlier. The decline in apparent consumption and retail prices indicate that consumer expenditures for butter in September were 29 per cent less than a year ago. In July and August, the declines from the preceding year were 26 and 23 per cent, respectively.

Cold storage holdings of creamery butter on November 1 of 66,800,000 pounds were 10,500,000 pounds larger than a year earlier, but except for 1931 were the lowest on record for November 1. The out-of-storage movement in October of 22,700,000 pounds was about 1,200,000 pounds less than in October 1931.

Imports of butter are insignificant. In the past month prices of Danish butter were relatively stable while prices of New Zealand butter in London(gold basis) declined about 2.4 cents per pound. On November 6, the margin between 92-score butter at New York and New Zealand butter in London was 6.8 cents.

CHEESE

Cheese prices in October were slightly lower than in September in contrast with the usual seasonal increase. Cheese production in September was decidedly larger than a year earlier, while trade output was less. Cold storage stocks on November 1 were the lowest for that date since 1927. Relatively heavy production of cheese during the winter months will tend to offset the decrease in storage holdings.

The seasonal decline in cheese production in the last 2 months has been unusually small and the index number of cheese production (adjusted for seasonal variation) rose from 91 in July to 107 in September. Production in September was 8.3 per cent larger than a year earlier, and the largest on record for that month.

Production of American cheese in September in Wisconsin was 1 per cent less than a year previous. In the North Atlantic States, exclusive of New York, production was also less than a year earlier. In New York, however, September production was 54 per cent greater than in September 1931, indicating a larger amount of surplus milk than a year ago. Each of the other groups of States showed a sharp increase in production as compared with September 1931.

The ruling price of cheese on the Wisconsin Cheese Exchange in October averaged 10.9 cents or 0.1 cent less than in September and 2.5 cents less than a year ago. Prices in October usually average about 6 per cent higher than in September.

Trade output of cheese in September of 44,900,000 pounds was 3.5 per cent less than a year earlier. Retail prices were 16 per cent lower. This change indicates that consumer expenditures for cheese in September were 19 per cent less than in September last year.

Cold storage holdings of American cheese on November 1 were 66,800,000 pounds or 2,800,000 pounds less than a year earlier. The out-of-storage-movement in October of 1,700,000 pounds was about 4,000,000 pounds greater than a year earlier, but compares with the 1926-1930 average out-of-storage-movement in October of 4,000,000 pounds.

Imports of cheese in September of 4,700,000 pounds were 15 per cent less than a year earlier. Foreign cheese prices and domestic prices were relatively stable during October.

EGGS

Market prices of eggs in October did not continue to rise as rapidly as in previous months, partly because of relatively heavy receipts, particularly in the early part of the month.

The price of special packed mid-western eggs at New York averaged 30.2 cents a dozen in October, a rise of about 5 cents from the September average. By November 7 they had reached 32.5 cents compared with 31.2 cents in October 1931 and 32 cents on November 7, 1931. Rehandled receipts showed little change during the month, averaging about 24 cents, the same as in September and as in October 1931. The farm price of eggs advanced from 17.2 cents on September 15 to 22.5 cents on October 15, which was only 0.2 cent below that of a year earlier. Compared with the 1910-1914 average for corresponding months the relative farm price has risen from 80.8 per cent on August 15 and 83.5 per cent on September 15 to 94.9 per cent on October 15.

Receipts of eggs at the four markets during October were relatively heavy at 692,000 cases compared with 663,000 a year ago and the 5-year average, 1927-1931, of 681,000 cases. Receipts in September were the lowest for the month since 1922. The increase in October was fairly general throughout the country.

United States cold storage holdings of case eggs on November 1 were 3,207,000 cases, while a year ago they were 5,745,000 cases and the 5-year average for November 1 is 5,838,000 cases.

Consumption of eggs was apparently light during October. The trade output in the four markets was about 1,200,000 cases compared with 1,500,000 cases a year ago; a reduction of 20 per cent.

CHICKENS

The farm price of chickens declined somewhat more than usual from September to October. Receipts of poultry, which for several months had been consistently below those of a year earlier, in October were above those of the same month a year ago.

The farm price of chickens on October 15 was 10.7 cents a pound compared with 11.6 cents a month before and 14.4 cents a year before. Compared with the 1910-1914 average for corresponding months, the relative farm price declined from 101 per cent on August 15 and 100 per cent on September 15 to 94 per cent on October 15.

Receipts of dressed poultry at the four markets increased seasonally, and were 31,800,000 pounds in October compared with 30,100,000 pounds a year

ago and a 5-year average of 52,800,000 pounds. It is estimated that on October 1 there were about 5.5 per cent more chickens raised and saved this year than was the case last year. Continued heavy receipts of poultry are therefore to be expected.

United States cold storage stocks of frozen poultry on November 1 were still low relative to other years, being 55,082,000 pounds compared with 65,700,000 pounds a year ago and a 5-year average of 64,500,000 pounds. This is now the into-storage season and stocks will normally continue to increase until January or February.

LAMBS

The lamb market continued weak during October and about the middle of the month reached the lowest point since the end of last May. The top on slaughter lambs at Chicago in October ranged between $5.60 and $6.00 with the bulk of the good and choice lambs selling between $5.00 and $5.50. Prices of feeder lambs at Chicago did not show the weakness evidenced by slaughter lambs and did not change greatly during the month but showed some tendency to strengthen toward the end. At Omaha, however, they tended to follow fairly closely the changes in slaughter lambs.

Supplies of slaughter lambs in October began to reflect the decrease in the late lamb crop. For the first month since July, slaughter was sharply lower than a year earlier, the decrease compared with October 1931 being 11 per cent; compared with 5-year October average it was up 7 per cent. The decrease in slaughter, however, was relatively much less than the decrease in market receipts. Receipts at seven leading markets in October were nearly 20 per cent smaller than in October 1931.

The estimated number of feeder lambs inspected through markets and going into the Corn Belt States was 34 per cent smaller in October than a year earlier and the smallest for the month since at least 1919. Total shipments for the 4 months from July to October were about 45 per cent smaller than in 1931 and also the smallest since 1919. There will be increased feeding in most of the Western States, except Colorado, but it is doubtful if the increases in the other States will much more than offset the decrease in Colorado.

In view of the distribution of the feeding supplies this year it is probable that the decrease in the supply of feed lambs for market will be most marked in November and December and at the end of the fed lamb season in April. It also seems that the total supply will be much less than during the past 2 seasons.

WOOL

The sharp falling off in the sales of wool on the Boston market since mid-September has thus far had little effect on prices. While prices on a few grades had declined slightly from the peak of the August-September rise, prices on many lines continued unchanged through the first week of November. Heavy sales to manufacturers in August and the first half of September and the rapid increase in mill consumption of wool placed the market in a favorable position, to resist price declines. Fine (64s, 70s, 80s) strictly combing territory wools, scoured basis, remained at 47-50 cents per pound for the 4 weeks ended November 5. Territory 56s were 41-43 cents

per pound for the week ended November 5 compared with 42-44 cents a month earlier while Ohio and similar grease wools ranged from 16 to 21 cents a pound the first week of November. The average price received by producers rose from a low point of 7.0 cents per pound on June 15 to 9.5 cents on October 15, compared with 12.5 cents per pound on October 15, 1931.

Prices in Australian centers have recently been slightly irregular. Englidh purchases are moderate but the decline in sterling and the recent increase in activity in the continental wool industry has been favorable to continental buying. Wool sales at London are now closed until November 22.

Figures on wool stocks held by dealers and cooperatives as of October 15, 1932 as compiled by the Boston Wool Trade Association indicated a total of 147,951,102 pounds of unsold wool on hand in Boston, Chicago, Philadelphia, St. Louis and Louisville. These figures, which included stocks on hand as reported by the National Wool Marketing Corporation represent a decline of 41,718,961 pounds from similar figures compiled at the same date last year. No provision is made in the above estimate for stocks in the hands of manufacturers, unsold wool in country warehouses or on farms, or wool held by dealers in centers other than those named above.

United States consumption of combing and clothing wool continued to improve during September. Reported consumption for the month was approximately 41,000,000 pounds (grease equivalent) compared with 39,000,000 pounds in August. This was about 1,000,000 pounds larger than the consumption reported in September 1931. Reported consumption of combing and clothing wool for the first 9 months of this year was 229,000,000 pounds (grease equivalent) or only 71.1 per cent as large as the consumption reported for the same months of 1931.

Receipts of domestic wool at Boston for the first 10 months of 1932 were approximately 197,000,000 pounds compared with an average of 212,000,000 pounds for the corresponding period of the previous 5-years. Arrivals were above normal in September and October in contrast to the small arrivals early in the season. Only 14,000,000 pounds of foreign combing and clothing wool were imported during the first 9 months of 1932.

One of the distinguishing features of the coming wool clip in Southern Hemisphere countries is its excellent quality. Apparent supplies 1/ in the five most important Southern Hemisphere wool producing countries on October 1 are now estimated at 2,037,000 pounds, an increase of 2.5 per cent above the same date of 1931.

Although the 1932 Argentine wool clip, provisionally estimated at 331,000,000 pounds is about 1 per cent below the 1931-32 clip and 4 per cent below the 5-year average 1926-1930, exports for the season ending September 30, 1933 are expected to equal if not exceed those of last season due chiefly to the increased carry-over. From July 1 to September 30, 1932 exports from Australia, New Zealand and the Union of South Africa have exceeded those for the same period a year earlier by 35 per cent, but were only 6 per cent above exports for the same period of 1930.

1/ Estimated production, plus carry-over from preceding season, minus exports up to September 30, in countries where the season began on July 1.

In the 12 months preceding the current shearing season sheep, and especially lamb slaughter has been much heavier in Australia, New Zealand, and the Union of South Africa than in the same period of 1930-31, whereas in Argentina and Uruguay slaughter has been much less.

The condition of both sheep and ranges in the United States on October 1 was better than at the same time a year ago.

COTTON

Cotton prices from mid-October to mid-November were fairly stable with a slight tendency to decline but prices fluctuated less during this period than for any similar period since June. The marked increase which occurred in the domestic consumption of cotton during August and September, resulted in September consumption being 76 per cent above July. It is not surprising, therefore, that October consumption failed to show as much as the usual seasonal increase over September, particularly in view of the slow demand for yarn and cloth which has been reported during recent weeks. In view of the developments in other phases of general business in the United States and abroad the fact that domestic cotton consumption in October showed some gain over September and was considerably above the levels of October 1931 is encouraging. It is not yet definitely known what occurred in cotton consuming centers in foreign countries during October, but preliminary reports indicate an increase over October 1931 in the consumption of American cotton. Exports of American cotton during October were slightly less than during the same month last season.

On October 11 the average price of middling 7/8 inch in the 10 spot markets was 6.58 cents per pound which is higher than for any day since that time. The November 11 price of 6.52 cents was, however, 0.40 cents per pound above a year earlier. The trend of prices during this 30-day period was downward but the fluctuations were small so that for the period as a whole prices showed less variation than for several months.

Cotton consumption in the United States during October totaled 502,000 running bales or about 11,000 bales above September andwas 41,000 bales or 9 per cent greater than in October last year, according to data from the Bureau of the Census. Consumption in both September and October exceeded that of the same months last year and brought the total consumption for the first quarter of the season to 1,396,000 bales; an increase of 46,000 bales over the first quarter of 1931-32. Judging from trade reports the rate of textile production in the United States has been above that of sales during the past several weeks, the high rate of activity being sustained to fill the large orders received during July, August and September.

In England, the textile situation has again been under the influence of labor difficulties. This time the trouble was among the spinners. On November 2 Agricultural Attache Foley cabled that it had been estimated that 200,000 men were on a strike and that the spinning section of the Manchester Cotton Textile Industry was completely stopped. The same report stated that an agreement was so close that a long stoppage seemed improbable. Reports received on November 11 stated that there had been a settlement and that as a result textile business had picked up considerably. Continental

European mills during October apparently maintained their activity at about September levels on the basis of previous orders, reports indicating that new business was slow but that mill activity was about maintained at the improved levels of the previous month. In Japan, cotton consumption continues at high levels with large proportions of American cotton still being used. Exports of cloth from Japan were at record high levels during August and trade opinions were that a high volume would be maintained. Toward the early part of October, however, the relation of American and Indian cotton prices was reported as favorable to Indian and as a result large sales of this cotton took place. In China, Chinese owned mills were operating at about normal rates during October while the Japanese owned section of the industry was active to the extent of about 60 per cent of normal. The interest in American cotton was reported as very small in early October as a result of price differentials due no doubt to the fact that the Chinese cotton crop is expected to be 40 to 47 per cent larger than last year.

Total exports from the United States in October amounted to 1,008,000 running bales compared with 1,014,000 bales exported during October 1931, according to the Bureau of the Census. The principal decrease occurred in the exports to China, this country taking about 100,000 bales less than in the third month of last season. As pointed out a number of times, the exports to Japan and China last season were unusually large because of the very short crops of Chinese and Indian cottons together with the very large American crop. This year cotton production in these two countries will be close to 2,000,000 bales larger than last year and the United States crop more than 5,000,000 bales smaller. It is to be expected therefore, that exports to the Orient will be considerably smaller this season than in 1931-32.

The November estimate of production indicated a crop of 11,947,000 bales for the United States, whereas a month earlier the estimate was 11,425,000 bales. This is an increase of 4.6 per cent, but is still 5,149,000 bales less than the 1931 production. The greater part of the increase over the October forecast was in States west of the Mississippi River. Foreign crop reports continue to indicate an increase of about 800,000 bales in China, an increase of from 800,000 to 1,200,000 bales in India, a decrease of more than 400,000 bales in Egypt, and smaller decreases in Mexico and Brazil.

TOBACCO

Prices for all flue-cured tobacco marketed during October averaged about 12.2 cents per pound, compared with an average of 11.5 cents for September and 9.6 cents for October 1931. The average of all types for the season up to November 1 was about 11.8 cents this year compared with 9.2 cents for the same period a year ago and a 5-year average of 17.4 cents. Rates of marketing this year have been somewhat more rapid than usual, partly because of the reduced size of the 1932 crop.

The November 1 estimate of flue-cured production was 361,500,000 pounds. This is about 11,000,000 pounds larger than the production indicated

October 1, most of the increase being in the South Carolina district. Production this year is about 46 per cent less than in 1931 and 50 per cent less than the 5-year average 1926-1930. Total supply, consisting of current production and stocks at the beginning of the season, is 12 per cent less than a year earlier and 18 per cent less than the 5-year average.

Domestic consumption of flue-cured tobacco, as indicated by internal revenue collections, apparently is still declining. However, the returns for August and September indicate that some slackening in the rate of decline may have taken place, especially in the case of cigarettes. For the first 9 months of 1932 sales of cigarette tax stamps were about 10 per cent less than for the same period of 1931, but for August and September they averaged only 2.3 per cent less. The sale of tax stamps for use on manufactured tobacco (smoking and chewing combined) declined about 4 per cent during the first 9 months of 1932. As pointed out previously, the products in which flue-cured tobacco is used do not appear to have declined as much as other products, and consumption of some of them may have increased.

Exports during September, which aggregated 33,300,000 pounds, were about the same as in September a year ago and only a little less than the 5-year average for that month. The exports to China were enough larger than usual to practically offset declines for other countries. For the first 9 months of the year total exports to China were 32,785,000 pounds compared with 98,512,000 in 1931 and a 5-year average of 58,100,000. Takings by the United Kingdom for the first 9 months were 58,785,000 pounds this year compared with 79,782,000 in 1931 and a 5-year average of 86,365,000. The United Kingdom and China normally take about three-fourths of the total flue-cured exports. Other important countries showing reduced purchases of flue-cured tobacco in 1932 are Australia, Japan and France.

Types of tobacco other than flue-cured have not yet begun to be marketed. Production prospects for most of them changed very little during the month. A small decrease was made in the estimate for Burley, placed at 334,646,000 pounds, and minor increases were made in several of the cigar binder types and in Pennsylvania cigar filler. Total production for the United States is now estimated at 1,024,200,000 pounds, compared with 1,600,91[illegible],000 in 1931 and a 5-year average, 1926-1930 of 1,411,635,000 pounds.

Business statistics relating to domestic demand

Year and month	Industrial production	Factory payrolls	Factory employment	Commodity prices: United States: At farms 2/	Commodity prices: United States: Wholesale 3/: 1910-1914 = 100	Commodity prices: United States: Wholesale 3/	Commodity prices: Foreign 4/: In currency	Commodity prices: Foreign 4/: In gold	Interest rates 5/	Industrial stock prices 6/
	1923-1925 = 100 1/					1926 = 100				
1929										
July	124	109	102	140	141	96	94	96	6.00	344
Oct.	118	106	100	140	139	95	94	96	6.19	321
1930										
Jan.	106	97	94	134	135	92	90	92	4.94	252
Apr.	104	95	92	127	131	90	86	88	3.88	288
May	102	93	91	124	130	89	84	86	3.73	269
June	98	91	89	123	127	87	84	85	3.54	239
July	93	85	86	111	123	84	83	84	3.16	232
Aug.	90	82	85	108	123	84	83	84	3.00	231
Sept.	90	83	84	111	123	84	81	83	3.00	232
Oct.	88	78	83	106	121	83	80	81	2.92	196
Nov.	86	74	81	103	119	81	79	80	2.88	182
Dec.	84	73	79	97	116	80	78	78	2.88	170
1931										
Jan.	83	70	78	94	114	78	76	77	2.85	168
Feb.	86	72	77	90	112	77	76	76	2.63	181
Mar.	87	72	78	91	111	76	76	76	2.52	182
Apr.	88	72	78	91	109	75	76	76	2.38	162
May	87	71	78	86	107	73	74	74	2.20	143
June	83	68	76	80	105	72	74	74	2.00	138
July	82	67	75	79	105	72	74	73	2.00	143
Aug.	78	64	74	75	105	72	72	72	2.00	139
Sept.	76	62	73	72	104	71	71	68	2.02	119
Oct.	73	58	70	68	103	70	72	66	3.50	102
Nov.	73	56	68	71	102	70	72	65	4.03	104
Dec.	74	55	68	66	100	69	72	61	3.88	81
1932										
Jan.	71	54	67	63	98	67	71	60	3.88	79
Feb.	70	52	67	60	97	66	71	60	3.84	80
Mar.	67	50	66	61	96	66	71	61	3.83	82
Apr.	64	48	64	59	96	66	69	60	3.73	63
May	60	46	62	56	94	64	68	59	3.27	53
June	59	43	60	52	93	64	67	57	2.94	47
July	58	41	58	57	94	64	67	56	2.54	46
Aug.	60	40	58	59	95	65	67	56	2.32	68
Sept.	66	42	60	59	95	65			2.25	73
Oct.				56					2.07	64

1/ Federal Reserve Board indexes, adjusted for seasonal variation. 2/ U. S. D. A. August 1909-July 1914 = 100. 3/ Bureau of Labor Statistics' index. 4/ Weighted average of indexes for eight foreign countries - United Kingdom, Canada, Japan, France, Italy, Germany, China and the Netherlands. 5/ The Annalist. Average of daily rates on commercial paper in New York City. 6/ Dow-Jones index is based on daily average closing prices of 30 stocks.

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UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics
Washington

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THE PRICE SITUATION, DECEMBER 1932

FARM PRICES

Market prices of farm products indicate that the general level of farm prices in mid-December is perhaps a little lower than a month ago. Market prices of cotton, corn, and most livestock have declined further the past month. However, these declines have been offset in part by seasonal advances in dairy and poultry products and same fruits and vegetables.

The index of farm prices on November 15 was 54 per cent of the 1910-1914 average compared with 56 a month earlier, 52 at the low point in June, and 71 per cent in November last year. Except for the seasonal advance in butter, butterfat and eggs, the only major farm products to advance in price from mid-October to mid-November were barley, with a considerable advance, and sheep, with a slight advance. Mid-November farm prices of wheat, corn, apples, cattle, calves and lambs were at the lowest level in the 24 years for which records are available.

The exchange value of farm products for the goods farmers buy was 51 per cent of the pre-war average on November 15 compared with 52 a month earlier, 47 at the low point in June, and 59 per cent in November 1931.

WHOLESALE PRICES

The general level of commodity prices at wholesale is now slightly below the previous post-war low reached last June. The advance which took place during July - September has, like several others since 1929 proved only temporary. The Bureau of Labor Statistics Index averaged 92.8 per cent of the 1910-1914 average for the week ended December 3 compared with 95.9 for the week ended September 10 and the previous low of 93.0 in mid-June. The decline in the general index since the first part of September is due to lower prices of farm products, foods, textiles, hides and leather and house furnishing goods.

Both farm product and food prices after reaching, during the first week of November, nearly the low levels of last June, advanced during the middle of the month but weakened again by the first week of December, textiles and hides and leather have shown a fairly continuous decline from the middle of October to the first week of December. Metal products, and building materials have remained fairly stable at a somewhat higher level than that of last July, while house furnishing goods have remained unchanged at their lowest levels reached so far in this depression.

The important group indexes included in the Bureau of Labor Statistics index of prices of "all commodities" (1910-1914 = 100) for selected periods are as follows:

	Dec. 1929	Dec. 1931	June 1932	Week ended Dec. 3, 1932
Farm products	143	78	64	66
Chemicals and drugs	115	94	90	89
Metals	116	96	94	93
Textiles	156	108	96	94
Foods	153	107	91	94
Hides and leather	166	124	110	110
Building materials	171	137	128	128
House furnishing	173	144	137	133
Fuel and light	158	130	136	136
All commodities	136	100	93	93

Lower price levels since September are also evident in foreign countries. Monthly indexes now available for 16 countries show lower prices in October than in September in practically all cases. Weekly indexes since then show very little change in prices in England during the past few weeks in spite of a further drop in British exchange. Crumps weekly index of currency prices which averaged 62.5 per cent of the 1926 level in the first week of November and 63.1 in the third week, returned to 62.6 per cent by the first week of December. In Italy, currency prices declined from 46.5 per cent of the 1926 average for the first week of November to 46.1 by the end of the month.

BUSINESS CONDITIONS

Business activity during November continued near the October level, with evidence of a declining tendency toward the end of the month. Most of the August to September advance was thus maintained. However, no material improvement has as yet appeared in the demand for farm products. The production of pig iron, coal, and cotton goods showed little change while steel mill activity was lower during the last half of November than during the first half. Automobile output averaged higher during November than during October, and the movement of goods by rail which declined more than seasonally during the first part of November due to a falling off in l.c.l and miscellaneous commodities, increased more than seasonal toward the end of the month. Electric power consumption was somewhat lower at the end of November than at the beginning, but construction contracts awarded failed to show the usual seasonal reductions because of an increase in non-residential contracts.

Factory employment, which had shown a noticeable increase in September, again increased in October, though at a smaller rate than in the previous month, and that improvement has apparently been maintained during most of November. The August-September improvement in output, due chiefly to a spurt in textiles, foods and other products of current consumption, was barely being sustained.

Banking activity also showed very little change during November. Loans on securities and other obligations remained unchanged, as did bank investments. Bank deposits, however, were somewhat higher at the end of the month than at the beginning. The Federal Reserve banks continued to show increasing gold holdings, but no change in their holdings of Government

securities. Interest rates, already low, declined still further during November. Security prices tended downward during the month to the low levels reached in October, but well above the low point in June, followed by a considerable strengthening during the first week of December.

WHEAT

An abrupt decline about the middle of November brought wheat prices to new low levels, but there was some recovery in early December. On December 10, prices were about as high as on any day in November. The rise appeared to be due largely to reports of unfavorable prospects for the recently sown winter wheat crop in the United States. Takings of importing countries continue at a low level and the Southern Hemisphere crop which is now being harvested appears to be a little larger than last year.

Due to the rapid decline in wheat prices which took place during October farm prices in mid-November were somewhat below the October levels. The United States average farm price in November was 32.6 cents compared with 34.6 cents the month previous, and 50.5 cents per bushel for November of last year. Prices of around 25 cents per bushel were common in many of the more remote wheat producing regions, whereas in some of the deficit areas of the East and Southeast, prices of over 50 cents per bushel prevailed.

At the principal terminal markets, prices during November averaged lower than at any time since modern transportation to those points was developed. Thus, at Chicago a low of 41½ cents for December futures was reached on November 25, which was the lowest since future trading was established at Chicago. At Kansas City No. 2 Hard Winter averaged 42.6 cents per bushel, while at St. Louis No. 2 Red Winter averaged 47.3 cents. In the spring wheat market prices were somewhat higher, No. 1 Dark Northern Spring averaging 50.5 cents per bushel, and No. 2 Amber Durum 49.9 cents at Minneapolis.

The rise in prices since the end of November in United States markets has occurred in spite of continued weakness in Liverpool quotations. On November 29, December futures closed at Chicago at 41-7/8 cents per bushel, and at Liverpool at 49, cents, a difference of over 7 cents per bushel. On December 10, on the other hand, there was a difference of only 2-5/8 cents per bushel, Chicago December futures closing at 45-7/8 cents, and Liverpool at 48½ cents.

At no time thus far during the current season has the spread between Chicago and Liverpool prices been sufficient to allow for a free export movement. Total exports of wheat and flour during the first 5 months of the crop year have amounted to about 23,000,000 bushels, of which approximately 15,000,000 have been wheat grain. Apparently, however, only about 4,000,000 bushels of this export business in wheat has been done in the ordinary course of trade. All of this 4,000,000 bushels appears to have been exported from Gulf and Pacific Coast ports. Net exports of wheat including flour from the United States during the months July to November have amounted to approximately 21,000,000 bushels. With a wheat crop estimated at 712,000,000 bushels, and probable domestic utilization placed at 660,000,000 (see The Price Situation for September) it would appear that exports of 52,000,000 bushels are necessary to keep the carry-over from increasing. At the rate of 21,000,000 bushels of net exports in 5 months, almost exactly 52,000,000 bushels would be exported in 12 months. However, in view of the fact that wheat grain exports thus far during the season appear to have been largely from Grain Stabilization Corporation stocks, it seems doubtful that there will be

net exports of 52,000,000 bushels during the entire crop year unless prices at Liverpool are higher relative to Chicago at some time during the next seven months than they have been during the past five months. However, even though no additional exports should take place, there would be but little increase in the carry-over if our present crop estimates and our assumptions as to the probable domestic utilization are correct.

In view of all these circumstances, indications as to the probable outturn of the 1933 winter wheat crop become of utmost importance. Weather conditions have been very unsatisfactory throughout a large part of the Winter Wheat Belt. In the western part, where the amount of precipitation appears to be a limiting factor in determining yields, rainfall has been scanty, while in the more humid regions, where rainfall during the fall months, appears to be a detrimental rather than a helpful factor, the precipitation has been heavy. The possibility of another short winter wheat crop has consequently become a factor to reckon with. It should be borne in mind, nevertheless, that stocks of wheat in the United States continue very large. The carry-over as of July 1, this year, was approximately half the size of the new crop.

While the outlook for our own winter wheat crop is of outstanding importance in United States markets, European demand conditions and crop conditions in the Southern Hemisphere are also of importance. There has thus far been relatively little change in the demand situation on the Continent of Europe. European countries are still in the process of using up supplies of their unusually large harvests of home-grown wheats. France has recently increased the amount of domestic wheat which must be milled from 97 to 99 per cent, and this action gives further indication that there will be little market for foreign wheat in France during the year. World shipments for the past two months have been averaging in the vicinity of 13,000,000 bushels weekly compared with a level of over 16,000,000 bushels weekly a year ago. With the demand for wheat by importing countries restricted by both large crops and severe barriers to importation, there is considerable uncertainty as to how the market will react to supplies of new crop wheat which will soon be coming from the Southern Hemisphere. Present prospects are for a crop somewhat larger than last year. The Australian crop is now officially placed at about 200,000,000 bushels, compared with 190,000,000 bushels last year, whereas, the Argentine crop is officially estimated at 231,000,000 bushels compared with 226,000,000 a year ago. Private estimates of both the Australian and Argentine crops are somewhat higher than the official estimates.

CORN

Corn prices rose somewhat during early November and then declined to new low levels during the latter part of the month. In a general way the movement was quite similar to that of wheat prices, but the net decline during the month was somewhat greater, indicating that corn prices are under the pressure of the new crop movement. Shipments, however, have been small.

The United States average farm price of corn as of November 15 was 19.4 cents per bushel compared with 21.6 cents a month previous and 36.6 cents in November of last year. At Chicago, No. 3 Yellow corn averaged 24.9 cents per bushel for the month of November, but only 23.0 cents for the week ended December 9. This is the lowest level of corn prices which has been reached at Chicago since 1896. In that year No. 3 Yellow corn was but little above 20 cents per bushel in December, and averaged about 20 cents per bushel during

January and February, and then rose gradually to about 30 cents per bushel during late August and early September.

Receipts of corn at 14 markets during November totalled 12,800,000 bushels compared with 11,800,000 bushels last November, and an average of 18,500,000 in November of the past 5 years. Wet process grindings amounted to 5,600,000 bushels compared with 6,300,000 last November, and an average of 6,800,000 bushels for the past 5 years. Not only is industrial utilization of corn at a low level, but the demand for corn for feeding is poor. The combination of poor industrial demand and poor demand for feeding prevents a very heavy movement from farms to the principal markets. Thus far there has been no marked accumulation of stocks in the principal markets. The low point of stocks was reached last August, when 10,800,000 bushels were in store August 6. Since then stocks have increased to 29,300,000 bushels on December 10.

POTATOES

Potato prices in eastern markets have shown considerable strength during recent weeks. Prices at New York for the first week in December were 11 cents per 100 pounds above those of a month earlier and 4 cents higher than a year earlier. At Chicago, an advance of only 4 cents per 100 pounds occurred during the same 30-day period, although Chicago prices were 29 cents lower than a year ago. The differences in the price trends in the eastern and western markets may be attributed to the difference in the distribution of supplies this year. It is estimated that the three eastern surplus States produced only 88,000,000 bushels of potatoes this year compared with 106,000,000 bushels in 1931 whereas the 15 western surplus States produced 163,000,000 bushels this year against 156,000,000 bushels a year ago.

F.o.b. prices of Green Mountains at Presque Isle, Maine averaged 48 cents per 100 pounds for November compared with 44 cents for October and 46 cents for November 1931. Prices made a steady advance during November, rising from a level of 40 cents to 60 cents per 100 pounds. At Waupaca, Wisconsin, f.o.b. prices averaged 46 cents per 100 pounds for November compared with 43 cents for October and 56 cents a year earlier. Prices at this point during the first week in December ranged between 45 and 50 cents per 100 pounds. At Idaho Falls, Idaho there was little change in prices from a month earlier, "f.o.b. cash track" prices averaging 39 cents per 100 pounds. These prices, however, are approximately 20 cents per 100 pounds below those of a year earlier.

Farm prices as of November 15 averaged 34.4 cents per bushel, or the same as in mid-October compared with 45.3 cents per bushel in November 1931. As compared with the October averages there were slight advances in the North Atlantic and West North Central States but these were offset by declines in all the other regions.

Although the weekly car-lot movement of potatoes from the late surplus States has increased somewhat in recent weeks, the volume is still approximately 20 per cent less than in 1931. Although the late crop this year is only slightly smaller than that of last year the total car-lot movement for this season to date is about one-third less than a year ago. Part of this decrease in shipments is no doubt due to increased movements by trucks, and to the increased production in home gardens in deficit areas.

RICE

Milled rice prices in the Southern States continued to decline during November and early December. Prices of rough, however, remained unchanged. In California, prices of both milled and rough held fairly steady. The decline in southern prices of milled rice was due to decrease in demand outside the United States. At New Orleans fancy blue rose sold at $1.81 per 100 pounds on December 5, compared with $2.05 a month before and $2.94 a year earlier. At San Francisco, fancy California-Japan was selling at $2.05 per 100 pounds on December 5, the same as a month earlier. On December 7, 1931 the corresponding price was $3.05.

Southern Belt

Receipts of rough at southern mills during November amounted to 1,189,000 barrels compared with 1,408,000 for November 1931. Stocks of both rough and milled in millers' hands on December 1 totaled 2,167,000 barrels which was slightly larger than stocks a year earlier. Shipments from mills during November were considerably smaller than for November 1931, the amounts being 99,566,100 and 123,648,200 pounds respectively. Exports from southern ports during November were only about half as large as the 31,716,000 pounds exported during November 1931. Shipments to Puerto Rico from Southern States totaled about 9,000,000 pounds during November, compared with nearly 22,000,000 during October and 21,709,000 pounds for November 1931. Sales in continental United States during November, however, were larger than for November last year.

California

Exports of California rice during November were very small but about the same as for November last year. Shipments to Puerto Rico and Hawaii were 2,867,000 and 5,595,000 pounds respectively. The former was about the same as last year but shipments to Hawaii were much larger than the 2,963,000 pounds shipped in November 1931. It is significant to note that some relatively large sales of southern rice are being made in Hawaii. During November 2,430,000 pounds were shipped from Galveston to Hawaii. Heretofore, Hawaii has been primarily a California market.

TOBACCO

Markets for nearly all important types of tobacco have now been opened for the season. Prices for flue-cured and burley have shown some improvement over those of a year ago, with average advances of around 10 to 30 per cent. Prices for Virginia fire-cured and One Sucker tobacco also have been above those of a year earlier, but in all other districts the opening prices were below the low levels of 1931.

The principal reason for the more favorable showing of flue-cured prices this year was the reduction in available supplies, caused by the greatly reduced production in 1932. In the case of burley tobacco the total supply is not greatly different from the very large supply of a year ago, but quality is reported to be somewhat better. Also, increased buying by manufacturers of the new 10-cent brands of cigarettes may be a factor of some importance. The tendency for lower grades to show greater relative improvement, in comparison with 1931, which was noted earlier in the season, appears to be continuing. Reduced supplies and better quality, as compared with 1931, have contributed to the price

improvement for both Virginia fire-cured and One Sucker tobacco. The price declines for other types have taken place in spite of reductions in available supplies. The aggregate production of all types of tobacco in the United States was indicated at 1,024,000,000 pounds on November 1 this year compared with 1,601,000,000 pounds in 1931.

Tobacco: Indicated total supply and opening prices per pound, 1931 and 1932 1/

Type of tobacco	Type No.	Indicated total supply (production + carry-over) 1932	1931	Decrease (-) or increase (+) 1932	Prices per pound: Opening (partly unofficial) 1932	1931	Seasonal average 1931
		Million pounds	Million pounds	Per cent	Cents	Cents	Cents
Flue-cured	11-14	1,107	1,342	- 18	2/12.0	2/ 9.1	8.5
Va. Fire-cured .	21	46	57	- 19	6.6	4.8	4.9
Ky.-Tenn. " 3/	22	200	204	- 2	5.2	6.6	5.5
Henderson "	24	10	14	- 29	4.2	5.2	4.0
Burley 3/	31	920	893	+ 3	12.8	11.7	8.6
One-sucker 3/	35	52	62	- 16	5.6	4.0	3.5
Green River	36	56	61	- 8	3.7	4.5	3.3
Va. Sun-cured	37	5	6	- 17	5.2	5.2	5.8

1/ Opening prices based upon averages of auction floor sales. Maryland tobacco and the cigar types are sold by other methods, and comparable prices are not available. 2/ Approximate season average to December 1. 3/ Price averages for Kentucky only.

The indicated consumption of tobacco products in 1932 still shows a decline in comparison with 1931, both in the United States and in Europe, where 75 per cent or more of the tobacco produced in this country is consumed. Recently the rate of decline appears to be slower than that earlier in the depression, especially in the case of cigarettes. Also, the tendency for high priced products to be reduced more than the cheaper ones has continued. Reports of the Commissioner of Internal Revenue indicate that for the period January to October, consumption of the different classes of products in the United States this year declined from that of 1931 as follows: Cigars, 17.0 per cent; cigarettes, 9.8 per cent; manufactured tobacco (smoking and chewing combined), 5.1 per cent; snuff, 11.1 per cent. Considering all products combined, the total decline was about 9 per cent. Reports from 13 countries in Europe indicate that total consumption for the first 8 months in 1932 declined about 3.5 per cent below that of the same period in 1931.

The quantity of unmanufactured tobacco exported since July has compared favorably with that for the same period in other years. This has been due largely to increases in the exports of flue-cured tobacco to China, where the shipments normally are of low grade. However, the increases have not been sufficient to offset any of the declines in the first half of the year. The volume of fire-cured tobacco, which ranks second in importance to flue-cured, exported in 1932 has been larger than the very small volume of 1931. From January to October Virginia fire-cured exports were 12,397,000 pounds this year compared with 9,852,000 pounds

in 1931 and a 5-year average, 1926-1930, of 17,397,000 pounds. Exports of Kentucky-Tennessee fire-cured during the same periods were 72,785,000 pounds in 1932, 60,582,000 in 1931 and 87,500,000 for the 5-year average. Flue-cured shipments during these months were 196,838,000 pounds in 1932, 290,559,000 in 1931, and 268,684,000 for the 5-year average.

HOGS

Marked reductions in hog marketings early in November checked the decline in hog prices which had been under way since mid-July, but the advance that followed was of short duration as the seasonal increase in marketings was quickly resumed. In early December, prices were again near the lowest levels of the year. Hog slaughter thus far this season has been somewhat smaller than that of a year earlier but the decrease in numbers has been partly offset by heavier average weights. The abundant supplies and extremely low prices of corn are causing producers to feed their hogs longer than usual. This is tending to delay the movement to market somewhat, and is expected to result in a larger than usual proportion of the winter supply being marketed in January and early February.

Hog prices responded to the reduction in marketings in early November by an abrupt rise that carried the top at Chicago from $3.30 per 100 pounds on November 2, to $4.00 on November 10. Increased supplies resulted in a reaction which carried prices downward almost as sharply as they had previously advanced and prices in early December were again near the lowest levels in 55 years. The monthly average price of hogs at Chicago for November at $3.34 was the same as for May - the previous low - compared with $3.50 in October, and $4.61 in November 1931. The spread between prices of light and heavy hogs has remained practically unchanged since mid-October and has fluctuated between 16 and 21 cents, with top prices in recent weeks being paid for 140 to 160 pound weights.

Market supplies of hogs were especially small during the first 2 weeks of November and have continued relatively small since although increasing seasonally. Slaughter under Federal inspection during November, amounting to 3,778,000 head, was 4.8 per cent larger than in October but was 10.6 per cent smaller than in November 1931. Slaughterings at interior plants were about equal to those of a year earlier but slaughter at eight principal market centers was 18 per cent smaller.

The reduction of 607,000 head in federally inspected slaughter during October and November reflects in part the reduction of 7 per cent in the 1932 spring pig crop indicated by the June pig survey. The large corn crop, the high hog-corn ratio, the low prices paid for hogs, and a hope of a seasonal price improvement are causing farmers to feed their hogs to heavier weights, and this tendency seems likely to become more pronounced as the season advances. The average live weight of hogs slaughtered under Federal inspection in October was about 3 per cent greater than that of October last year, but because of higher yields, dressed weights increased 4 per cent. Both live and dressed weights in November were probably near record levels for that month since the average live weight at seven leading markets was somewhat heavier than in October and almost 7 per cent heavier than in November last year. Weights at Sioux City, Omaha, and St. Paul were much heavier than the unusually light averages at those points in November, 1931.

With corn prices declining to the lowest levels in several decades, the hog-corn price ratio continued to rise, and in November it was 15.7 compared with 15.0 in October and 13.5 in September. In November last year it was 11.9.

The movement of pork products out of storage during October was relatively small, but the marked reduction in slaughter supplies in November made it possible for packers to draw heavily on stocks during that month. Stocks of pork on November 1 were 14 per cent larger than those on November 1, 1931 but the total of 407,000,000 pounds on December 1 was 3 per cent larger than that of a year earlier and 7 per cent smaller than the 5-year December 1 average. Stocks of hams and shoulders are still considerably larger than those of last year but stocks of dry salt pork continue relatively small. Lard stocks on December 1 had dwindled to small proportions, and the total of 29,000,000 pounds on that date was 16 per cent smaller than a year earlier and 41 per cent smaller than the 5-year average for that date.

Wholesale prices of fresh pork at New York advanced considerably during the first half of November but all of the advance was lost during the last week of the month and the first week in December. Prices of cured hams declined in early November, were fairly stable during the reamainder of the month, and declined in early December. Bacon prices declined slightly in every week of the month and continued to decline during the first week of December. The composite wholesale price of pork per 100 pounds at New York during November was $10.17 compared with $11.00 in October and $14.34 in November last year.

Exports of both pork and lard in October were larger than in September. Lard exports, amounting to 54,000,000 pounds, were 22 per cent larger than those in October, 1931 and were not greatly different from the 5-year average for the month. They were the largest for October since 1929. This brought the total exports of lard for the first 10 months of the year to a point only 2 per cent under the total in the corresponding period in 1931 but they were still 21 per cent smaller than the 5-year January to October average. Pork exports, amounting to only 9,000,000 pounds, were 23 per cent smaller than in October last year and 47 per cent smaller than the 5-year average for the month. Shipments of hog products from the principal ports in November were smaller than in October.

Results of the December pig survey will not be available until December 22, but there is considerable evidence that the fall pig crop is somewhat larger than the unusually large crop of last fall. Many of these pigs were farrowed rather early and probably will be ready for market next March and April, thus tending to offset some of the indicated reduction in marketings from the 1932 spring pig crop at that time. Slaughter in December probably will be much smaller than in December last year but supplies in January and early February may be relatively large compared with December because of the holding back of hogs that ordinarily would be marketed earlier.

CATTLE

Cattle prices during November continued the decline started at the end of September and the lowest levels of the depression were reached the last of November. At this low point the weekly average price of choice steers at Chicago of $6.96 was about 20 cents lower than at the low period

in May 1932. The difference between the prices of other grades of beef steers from the May to November lows was larger than with choice grades, the spread increasing as the quality declined. The weighted average price of all grades at $5.96, however, was not quite so low in November as in May. The spread between choice and common steers was very narrow for the season of the year.

Other kinds of slaughter cattle also declined and the price of common beef cows at Chicago early in December at $1.75 a hundred was probably about as low as ever reached for such cattle on the Chicago market. Prices of low cutter and cutter cows are now at levels about comparable to those for old ewes and will hardly return more than marketing costs when shipments have to be made considerable distances. Veal calves also declined to new low levels for many years. The November 15 farm price of beef cattle at $3.73 a hundred was the lowest for all months in the record going back to 1910; veal calves at $4.47 were also the lowest in this record.

Prices of stocker and feeder cattle also weakened somewhat but the decline was much less marked than for slaughter steers. From the first week in October to the end of November the average weekly price of beef steers at Chicago declined from $7.67 to $5.96, with the decline on good steers being from $7.75 to $5.97. During the same period the average weekly price of stocker and feeder steers at Chicago declined only from $4.88 to $4.37 and at Kansas City the weekly price advanced from $4.54 to $4.60. At the end of November choice light weight feeder steers and feeder steer calves sold for about as much per hundred as did fairly well finished beef cattle of similar quality. This is an unusual situation for this season of the year although not so unusual in the spring. It shows a strong demand for feeder cattle due to the large supplies and low prices of feeds and the availability of funds for purchasing such cattle. With corn and hay at present levels the cost of gain in weight is quite low and less per pound than the present price of good beef steers. Usually an advance in price per pound for cattle when fed out above their cost as feeders is necessary for profitable feeding returns.

Supplies of cattle at markets were quite small during November, with receipts at 7 leading western markets 22 per cent smaller than in November 1931 and the smallest for the month in over 15 years. Inspected slaughter, however, was 2 per cent larger than in November 1931 but 13 per cent below the 5-year average. Calf slaughter was 6 per cent larger than a year earlier. While receipts of native beef steers at Chicago were only about average for the month, the proportion of choice steers was the largest and the actual number the second largest in 11 years.

The disparity in the change in numbers from November 1931 between market receipts and inspected slaughter was due in part to the much smaller shipments of stocker and feeder cattle this year and in part to increasing proportion of cattle going direct to packers. The estimated shipments of stocker and feeder cattle, inspected through markets going into the Corn Belt States in November was 23 per cent smaller than in 1931 and the second smallest in 14 years. For the 5 months July to November these shipments were 9 per cent smaller than in 1931 and the smallest in 14 years.

The supply of fed cattle will probably continue fairly large for the next 2 months but after February there may be less than the usual seasonal increase in better grades during the spring months. Supplies of butcher cattle and low grade slaughter cattle of all kinds are expected to remain small during the next few months.

BUTTER

Butter production declined sharply from the middle of October to the middle of November and there was a marked rise in butter prices. The seasonal peak in prices probably occurred in late November. Domestic prices rose at the same time that foreign prices were declining so that in the latter part of November the margin between domestic and foreign prices was nearly as much as the tariff. With the decline in production and rise in prices there was a heavy out-of-storage movement and stocks on December 1 were unusually low.

Production of creamery butter in October was 119,000,000 pounds or 5.7 per cent less than in October 1931. In August and September, production had been larger than in the same months of 1931. Even though production in October was decidedly less than a year earlier, the decline from September to October was only 3.8 per cent compared with the usual seasonal decline of about 12 per cent.

From mid-September to mid-October weekly reports from the Middle West indicated that butter production was larger than in 1931. By mid-November, however, these reports showed that production was nearly 15 per cent less than a year earlier. This change was due in large part to differences in the weather. In November 1931 the weather was exceptionally mild, temperatures were decidedly above normal in the upper Mississippi Valley. In November 1932, however, temperatures were generally below normal and there was considerable snow in the important butter-producing sections.

Butter prices rose sharply in November. The price of 92 score butter at New York for the week ended December 3 was 25.5 cents or 5 cents more than for the week ended October 31. The average price in November of 23.3 cents was 2.6 cents more than in October, but 7.6 cents less than a year earlier. Butter prices after reaching a peak of 26.0 cents in the last 3 days of November declined 2.8 cents in the first week of December. The seasonal peak in prices probably occurred in the last week of November. The farm price of butterfat on November 15 of 18.4 cents was 0.6 cents higher than a month earlier, but nearly 10 cents less than a year earlier.

In November, prices of butter were decidedly higher than during the into-storage period. This stimulated the out-of-storage movement, which was more than twice as great as in November 1931, and 11 per cent greater than the 5-year average for November. Cold storage stocks on December 1 of 37,000,000 pounds were the lowest on record for that date and 5,000,000 pounds less than a year earlier.

Foreign prices declined in November, while domestic prices rose. On December 2 the price of 92 score butter at New York of 25.0 cents was 11.3 cents higher than the Copenhagen official quotation (on a gold basis) and 12.3 cents higher than New Zealand butter in London. On December 9, however, the margin between 92 score at New York and New Zealand butter in London was 11.2 cents.

Exports indicate that butter production in the Southern Hemisphere is still increasing. Shipments afloat from the Southern Hemisphere on November 17 were 68,000,000 pounds compared with 45,000,000 pounds on November 19, 1931. Shipments afloat from New Zealand were 68 per cent larger than a year earlier.

CHEESE

The decline in cheese prices from October to November was greater than the usual seasonal decline, and was in marked contrast to the advance in butter prices. Cheese production declined sharply from September to October and October production was decidedly less than a year earlier, but above average. The movement of cheese into consumptive channels has been light, and stocks while below average have not declined as much as butter holdings.

Cheese production in October of 36,500,000 pounds was 10.1 per cent less than the unusually large production of a year earlier, but except for 1931 was the largest on record for that month. In September, production was 8.3 per cent larger than a year earlier. The decline in production from September to October of 12 per cent was larger than the usual seasonal decline of about 8 per cent.

Production of American cheese in Wisconsin in October was 15.5 per cent less than in October 1931; production in New York State, and the South Atlantic States was also less than a year earlier. For each of the other groups of States, however, October production was larger than in the same month of 1931.

The ruling price of cheese (twins) on the Wisconsin Cheese Exchange during November did not show the same advance as butter prices. The ruling price on November 25 of 10.5 cents was only one-half cent higher than early in November. The average price in November of 10.1 cents was 0.8 cents lower than in October and 2.3 cents less than a year earlier.

Trade output of cheese in October of 45,800,000 pounds was 6.8 per cent less than in October 1931. Production and imports were each decidedly less than a year earlier, and the out-of-storage movement was only slightly larger.

In November, the out-of-storage movement was 25 per cent larger than a year earlier, but about 30 per cent less than the 5-year average. Cold storage holdings of American cheese on December 1 of 62,400,000 pounds were about 3,700,000 pounds less than a year earlier and 8,000,000 pounds less than the December 1 average for the 5 preceding years. Storage stocks of American cheese on December 1 were only 11 per cent below average compared with 53 per cent below for butter.

Imports of cheese in October of 6,300,000 pounds were 12 per cent less than in October 1931.

EGGS

Market prices of eggs in November continued their usual seasonal advance until checked by heavy receipts in the latter part of the month. November receipts were the largest for that month in recent years, and tended to offset the effect of the low storage supply.

The price of special packed mid-western eggs at New York averaged 37.4 cents in November, a rise of about 7 cents from the October average. By December 6 they were 36.8 cents compared with 35.7 cents in November 1931 and 32.5 cents on December 9, 1931. The price of rehandled receipts advanced about 6 cents to an average of 30.6 cents in November. The farm price of eggs on November 15 at 26.1 cents was slightly less than a year earlier. Compared with the 1910-1914 average for corresponding months the relative farm price has risen from 81 per cent on August 15 to 95 per cent on October 15 and was unchanged on November 15.

Receipts of eggs at the four markets during November were the heaviest on record for the month, 560,000 cases, compared with 525,000 cases a year ago, and a 5-year average of 517,000 cases. October receipts were heavy for that month also. December is usually the month in which the seasonal increase of receipts begins.

United States cold storage holdings of case eggs on December 1 were 1,201,000 cases compared with 3,447,000 cases a year ago and the 5-year December 1 average of 3,346,000 cases. After January storage stocks are of minor importance as a source of supply.

CHICKENS

The farm price of chickens on November 15 was 10.1 cents a pound compared with 10.7 cents a month before and 14.4 a year before. Compared with the 1910-1914 average for corresponding months, the relative farm price declined from 101 per cent on August 15 to 94 per cent on October 15 and 93 per cent on November 15. Although having declined this ratio is still higher than for any other major farm product, with the exception of eggs.

In some measure reflecting this price situation, receipts of dressed poultry at the four markets during November were very heavy, at 71,200,000 pounds compared to 62,900,000 pounds a year ago; being exceeded only in November, 1929 with receipts of 71,900,000 pounds. A part of the increase over last year is due to an increase in the numbers of turkeys arriving at these markets.

United States cold storage stocks of frozen poultry on December 1 were 90,988,000 pounds compared with 90,000,000 pounds a year ago and a 5-year average of 90,600,000 pounds.

LAMBS

Prices of slaughter lambs showed a distinct tendency to strengthen during November. Prices advanced rather sharply during the second week of the month when receipts of all kinds of livestock were greatly reduced and the top on fed lambs at Chicago went to $6.60, an advance of nearly $1.00 from the low point in October.

This advance was soon lost but prices did not go back to the low October level and during the latter part of November another advance took place, most of which has since been held. Early in December the bulk of good and choice fed lambs at Chicago were selling from $5.50 to $6.00. Prices of feeder lambs also strengthened during November and at the end of the month were at the highest levels for the summer and fall movement.

Supplies of lambs in November continued to run below those for the corresponding period in 1931. Receipts at seven leading markets were 34 per cent smaller in November this year than last, but inspected slaughter was only 8 per cent smaller, and 11 per cent larger than the 5-year November average. Shipments of feeder lambs from or through markets into the Corn Belt States were relatively larger in November than in any other

month during the present lamb marketing year. While considerably smaller than the heavy shipments in November 1931 they were but little different from the 5-year (1926-1930) average November shipments. They were the second largest proportion of the total 5 months shipments, July to November, in 14 years. Total shipments for the 5 months this year were 40 per cent smaller than in 1931 and about 17 per cent smaller than in 1921, when they were the smallest for the years 1919 to 1931.

The number of lambs on feed for market about December 1 was apparently much smaller than a year earlier. Most of the decrease was in the Corn Belt States and Texas, with the total number in the Western States probably not much different from a year earlier. A relatively heavy movement of feeder lambs in late October and November into the feeding areas of Colorado brought the indicated total number to be fed in that State above what seemed probable a month earlier. The decrease from last year will be from 10 to 15 per cent. A decrease, rather than an increase, in feeding in the States west of the Continental Divide seemed probable about December 1, but the decrease in that area and Colorado was probably about offset by increases in Wyoming and Montana.

Weather has been generally favorable for lamb feeding in all areas and good gains are reported. This, together with fairly heavy average weights of feeder lambs points to a shorter than average feeding period, with the bulk of the Corn Belt lambs moved by the end of January.

WOOL

Wool prices at Boston in early December averaged about 6 per cent below October 8, the high point since April, but holders were resisting further declines. Fine (64s, 70s, 80s) strictly combing territory wool scoured basis was 44-46 cents per pound for the week of December 10 compared with 47-49 cents one month earlier. Territory 56s were 38-40 cents per pound compared with 40-42 cents the second week in November. Ohio and similar grease wools ranged from $14\frac{1}{2}$ to $20\frac{1}{2}$ cents for the week of December 10.

Prices at the opening of the London wool sales in late November were unchanged, to 5 per cent below those of October and small declines were reported during the course of the sales in terms of British currency. In terms of gold, prices varied with the value of the pound sterling. In Australian centers prices have been rather firm recently.

Consumption of combing and clothing wool declined 13 per cent from September to October although consumption of carpet wool increased and machinery activity in most sections of the wool industry increased in October. At the October level consumption of combing and clothing wool was still nearly three times as high as at the low point of May, and was almost the same as in October 1931.

The improved demand from continental Europe in recent months aided the English wool manufacturing industry. Employment in November had improved considerably, particularly in the combing section. Market activity for tops, noils and raw wool declined in continental European countries in October, but improved sales of yarn and cloth were maintained and mill activity showed further improvement in most centers.

Receipts of domestic wool at Boston and imports so far this year have been less than last, and stocks of wool in dealers hands are apparently less than last year. Apparent supplies in five Southern Hemisphere countries on November 1 were about 1 per cent larger than a year earlier. Production in 19 countries that produce about four-fifths of the world clip outside Russia and China is estimated at 2,793,000,000 pounds in 1932, a decrease of 14,000,000 pounds from the record clip of 1931.

COTTON

Cotton textile mill activity in the United States and most foreign countries during November was maintained at the improved levels reached in the early fall, judging from the information now available. In the domestic industry cotton consumption was the highest for any month since April 1930 despite the low level of cotton textile sales. Textile sales in many foreign countries have also been running below output. Exports of American cotton continued rather high during November and for the first 4 months of the season were about 12 per cent greater than in the like period last season. Cotton prices made a substantial advance during the first 10 days of November, but declined from November 11 to December 5 in keeping with the decline in the stock market and improved crop prospects. Since December 5 prices have strengthened, again in association with the stock market.

The average price of Middling 7/8 inch cotton in the 10 designated markets advanced from 5.90 cents per pound to 6.52 cents during the first part of November but by the end of the month had declined to 5.73 cents and on December 5 averaged 5.45 cents per pound, a new low for the current season, yet still 0.69 cents above the price reached last June 9. Since December 5 prices have fluctuated somewhat at slightly higher levels and on December 13 the 10 markets averaged 5.71 cents per pound and compares with 5.68 cents a year ago. Prices in the Liverpool market during recent weeks have been influenced by the fluctuations of the British exchange rate and the difference between the prices of American Middling in Liverpool (converted to cents per pound) and the 10 spot markets have fluctuated rather widely. The price parity between American and Indian cotton in Liverpool continued relatively stable.

Domestic consumption during November amounted to 504,000 bales compared with 502,000 bales in October, 425,000 in November 1931, and was the highest for any month since April 1930. This brought the total consumption for the season to the end of November to 1,900,000 bales, an increase of 125,000 bales or 7 per cent over the same period last season, and 296,000 bales or 18 per cent over the first 4 months of 1930-31. The sustained activity in domestic mills during November as in October was on the basis of the large orders received early in the fall since sales during the month were again below production although somewhat higher than in October.

In Europe as a whole cotton spinning mills during November apparently continued to operate at the improved levels of the previous 2 months despite the difficulty of disposing of the output or of maintaining their unfilled orders. The French industry is in a fairly good condition with its production sold ahead for many weeks. In most countries, however, sales are thought to have barely equalled and in many cases dropped below the production of the month. As compared with a year ago the consumption of American cotton in Europe during

November was probably somewhat greater. The cotton textile industry in the Orient as a whole continued to operate at high levels during October and early November although activity in China was still much below normal in the Japanese section of the industry. Large amounts of American cotton are still being consumed in Japan where the general situation of the cotton industry at the beginning of November was reported as good. Spinners continued to make good profits on yarn sales and weavers were able to maintain their high rate of activity due to the unusually strong demand for Japanese piece goods.

Domestic exports during November amounted to about 1,012,000 running bales which is 5 per cent less than the 1,071,000 bales exported during November 1931 but about 105,000 bales larger than in November 1930, according to data from the Bureau of the Census. The Orient continues to take smaller amounts than a year ago although in view of the large stocks of American cotton there and the increased production in India and China, American exports to the Orient have been remarkably well maintained. For the season August 1 to November 30 total exports of American cotton amounted to 3,206,000 bales compared with 2 2,854,000 bales during the first 4 months of last season and 3,181,000 bales during the corresponding period in 1930-31.

The December 1 estimate of domestic production indicated a crop of 12,727,000 bales of 478 pounds net or an increase over the previous month of 780,000 bales but 4,369,000 bales or 26 per cent less than the 1931 production and the smallest since the 1923 crop. The increase over the November 1 estimate was due in part to larger yields per acre being realized than had previously been expected in the major States, and in part to an increase in the estimated acreage in nearly all States. The December estimate placed the acreage harvested at 37,589,000 which is almost 1,000,000 acres more than the previous estimate; it is 7.6 per cent less than the 1931 acreage and 20.2 per cent below the record acreage of 1926.

Cotton production in foreign countries during the 1932-33 season has been provisionally estimated at about 11,500,000 bales of 478 pounds, compared with 10,400,000 bales in 1931-32 and 11,900,000 bales in 1930-31. The foreign production estimate plus the United States crop gives an indicated world total of 24,200,000 bales. Due to the small United States crop this estimate is 3,300,000 bales less than last season and is the smallest world crop since 1927-28. The present world estimate is 1,900,000 bales less than the 5-year average production from 1927-28 to 1931-32; is approximately 900,000 bales less than the 5-year average disappearance, and about the same as the 1931-32 disappearance.

Business statistics relating to domestic demand

Year and month	Industrial production	Factory pay-rolls	Factory employment	Commodity prices: United States: At farms	Commodity prices: United States: Wholesale 3/: 1910-1914 = 100	Commodity prices: United States: Wholesale 3/	Commodity prices: Foreign 4/: In currency	Commodity prices: Foreign 4/: In gold	Interest rates	Industrial stock prices
	1923-1925 = 100 1/			2/	= 100	1926 = 100			5/	6/
1929										
July	124	109	102	140	141	96	94	96	6.00	344
Oct.	118	106	100	140	139	95	94	96	6.19	321
1930										
Jan.	106	97	94	134	135	92	90	92	4.94	252
Apr.	104	95	92	127	131	90	86	86	3.88	283
May	102	93	91	124	130	89	84	86	3.75	269
June	98	91	89	123	127	87	84	85	3.54	239
July	93	85	86	111	123	84	83	84	3.16	232
Aug.	90	82	85	108	123	84	83	84	3.00	231
Sept.	90	83	84	111	123	84	81	83	3.00	232
Oct.	88	78	83	103	121	83	80	81	2.92	193
Nov.	85	74	81	103	119	81	79	80	2.88	182
Dec.	84	73	79	97	116	80	78	78	2.38	170
1931										
Jan.	83	70	78	94	114	78	76	77	2.85	168
Feb.	86	72	77	90	112	77	76	76	2.63	181
Mar.	87	72	78	91	111	76	76	76	2.52	182
Apr.	88	72	78	91	109	75	76	76	2.38	162
May	87	71	78	86	107	73	74	74	2.20	143
June	83	68	76	80	105	72	74	74	2.00	138
July	82	67	75	79	105	72	74	73	2.00	143
Aug.	78	64	74	75	105	72	72	72	2.00	139
Sept.	76	62	73	72	104	71	71	68	2.02	119
Oct.	73	58	70	68	103	70	72	66	3.50	102
Nov.	73	56	68	71	102	70	72	65	4.05	104
Dec.	74	55	68	66	100	69	72	61	3.88	81
1932										
Jan.	71	54	67	63	98	67	71	60	3.88	79
Feb.	70	52	67	60	97	66	71	60	3.84	80
Mar.	67	50	66	61	96	66	71	61	3.83	82
Apr.	64	48	64	59	96	66	69	60	3.73	63
May	60	46	62	56	94	64	68	59	3.27	53
June	59	45	60	52	93	64	67	57	2.94	47
July	58	41	58	57	94	64	67	56	2.54	46
Aug.	60	40	58	59	95	65	67	56	2.32	68
Sept.	66	42	60	59	95	65	68	56	2.25	73
Oct.	66	42	61	56	94	64	67	55	2.07	64
Nov.				54					1.75	62

1/ Federal Reserve Board indexes, adjusted for seasonal variation. 2/ U.S.D.A. August 1909-July 1914 = 100. 3/ Bureau of Labor Statistics' index. 4/ Weighted average of indexes for eight foreign countries - United Kingdom, Canada, Japan, France, Italy, Germany, China and the Netherlands. 5/ The Annalist. Average of daily rates on commercial paper in New York City. 6/ Dow-Jones index is based on daily average closing prices of 30 stocks.

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